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ABSTRACT

Minnesota's public educational system must be rebuilt in order to educate students for the complex and technological future, according to a committee of Citizens League members that met 42 times over 13 months with numerous educational observers and participants. The new educational structure should give parents more choices--with public dollars--about which schools or services to use; place more authority at the individual school; remove artificial barriers to excellence; and encouage innovation, competition, and entrepreneurship. Decentralization should be pursued to achieve a separation of policy and production; to give school-level professionals more control; and to assist schools in becoming different from each other, thus increasing diversity and choice. The business community is asked to promote innovation of educatiOn products and services and to create a for-profit venture capital fund dedicated to innovative educational enterprises. However, two members of the league's Board of Directors filed dissenting opinions that object to the use of vouchers as an acceptable way to achieve reform and express grave doubt that a market approach to education will address serious isses of equity. (MLF)

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CITIZENS LEAGUE REPORT

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REBUILDING EDUCATION TO MAKE IT WORK

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May 4, 1982

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SUMMARY

Minnesota's kindergarten-through-12th grade public educational system is in deep trouble. Unable to meet adequately the demands placed upon it now, it has no real hope of dealing with an expanded, complex and technological future.

The League believes it will not suffice merely to pump more money into the same old system even if there were a willingness to do so. Instead, the system itself must be rebuilt.

The new structure must:

- Give parents—who should be the key decision-makers in buying education—more choice in what to buy. To put it another way, public educational dollars should follow parents' choices about which schools or educational services to use.
- Place more authority for shaping education at the place where it happens—the individual school.
- Remove artificial barriers to excellence and encourage innovation, competition and entrepreneurship. Somehow, people in education must have the chance to break out of their stifling constraints, and others with new techniques and new technologies must have the chance to apply them to education.

The League found public education to be in jeopardy and under intense scrutiny across the nation.

- Gallup Poll ratings of public schools declined from 1974 to 1981.
- Scholastic Aptitude Test scores have declined for the last 18 years.
- A major study by the National Assessment of Educational Progress found the inferential reasoning ability of 13- and 17-year-old students declined during the 1970s.
- A nationwide sample of Iowa Basic Skills test scores of fourth and eighth grade children showed that between 1970 and 1977 those at the upper achievement levels had slipped as much as one full grade equivalent.
- A national survey of mathematical science departments of universities, four-year colleges and two-year colleges found enrollment in remedial courses was up 72 percent and constituted 16 percent of all mathematical and science enrollments.

Some of the same trends were noted in Minnesota.

- The Minnesota Poll found the percentage of respondents rating public school performance as good or excellent dropped from 63 in 1974 to 36 in 1979.
- Minnesota scores on the Preliminary Scholastic Aptitude Tests (PSAT) and the American College Tests (ACT) declined at a faster rate than the national average although they remained above the national average.
- Minnesota colleges find it necessary to provide substantial remedial training in mathematics.
- There is growing evidence that reports of teacher burnout are more than just talk. In 1978-79, 978 Minnesota teachers voluntarily quit.
- High school seniors indicating they plan to go into education had lower SAT mean verbal scores than all but three of 27 other occupations and lower math scores than all but two other occupations.

A RELUCTANCE TO SPEND

Minnesota joined in national trends in one other important way: It does not appear eager to try to solve its educational dilemma by pushing a lot of tax dollars at it. A 1981 Gallup Poll found that 60 percent of the respondents would vote against a tax increase if local public schools said they needed more money; 30 percent would vote in favor. In Minnesota the Legislature in 1981 raised the basic per pupil aid formula by the lowest percentage in a decade. Total educational spending per capita in Minnesota, which was 125 percent of the national average in 1967, fell to 109 percent in 1981. Spending on all education was 10.2 percent of state personal income in 1972, 8.9 percent in 1977 and 7.4 percent in 1980. The Minnesota Poll in March 1981 found that Minnesota taxpayers favored (53 percent) reducing services to raising taxes; only 12 percent chose a tax increase.

At the same time, the League noted, the political base for elementary and secondary education is declining as competition for public resources is increasing. The proportion of citizens who do not have children in the public schools will grow. The number of persons over 65 will also increase, placing demands upon public resources. Constituencies for improved housing, road and bridge construction and various welfare programs will compete more vigorously with schools. Total enrollment in the kindergartenthrough-12 system will continue to decline until the mid-to-late 1980s.

While sharing in these national trends, Minnesota, more than many other states, has a special stake in education. It is a state that lives by its wits.

Many of its corporations are home-grown. They exist because people who lived here found ways to turn their ideas into products and services. As a major center for corporate headquarters, Minnesota finds more and more of its people engaged in "think-work" which requires analysis and imagination.

The state also is pinning most of its hope for economic development on technology requiring high-order engineering, mathematical and verbal skills. But Minnesota, with more than 2,000 high technology companies and with 40 percent of its gross state product directly related to technology, is only 41st among the 50 states in per capita production of engineers. In addition, between 1972 and 1980, the number of new Minnesota mathematics teachers declined 84 percent (from 344 to 65), the number of new physical science teachers dropped 82 percent (27 to 5) and new physics teachers declined a full 100 percent (33 to 0).

AN AIR OF ELECTRICITY

However, if the aura surrounding traditional education is one of dismay and despair, the air about some innovative educational ventures is electric. In stark contrast to the weariness of many educators the League interviewed was the visible excitement of those offering new ways of organizing, managing and delivering education.

The League also concluded the prospects for achieving real educational change may be better in Minnesota than elsewhere because of the state's commitment to a strong educational system.

But numerous organizational, legal, contractual and regulatory barriers stand in the way, along with habit and tradition. Many people have a stake in the system as it exists. Not everyone counts it a failure. Among the barriers:

- The funding process is somewhat rigid at the state level. Every two years the Legislature determines how much the state will spend per pupil. Taxes raised by the state are sent to the individual school districts and added to funds raised from local property taxes. School district boards have only limited authority to raise additional funds.

- The budgeting process is centralized at the district level. The school board determines budgets for individual schools within the district.

- The decision on which public school a pupil will attend is made by the district. With some exceptions pupils are assigned to the school closest to their place of residence within the district. The public schools' claim to being "public" in the sense of being accessible to all is flawed by the tendency of school district boundaries to preserve existing class and income distinctions. Within the schools, pupils are grouped by age (generally) into classrooms where they are assigned a teacher. They pass through the system vertically by grade level.

- Teachers are at the bottom of the "accountability ladder." They report to principals, who report to superintendents, who report to elected school board members, who report to the voters.

- State Department of Education standards require that credits be awarded for "seat time" in a predetermined location.

- School board precedents and practices mandate specific pupil-teacher ratios.

- State Board of Teaching certification requirements limit school systems in using the skills and knowledge of people who do not have the appropriate certificates.

- Collective bargaining agreements between school systems and teacher unions nearly always prescribe that compensation relate only to the number of years in the system and the number of college credits the teacher holds.

- State teacher seniority laws—"last hired, first fired"—are not based on merit or professional accomplishments and may prevent hiring and retention of minority teachers.

DEREGULATE AND DECENTRALIZE

The League believes education must be deregulated and decentralized. Its providers and pupils need room to stretch their imaginations and abilities. Educational professionals at the school level need flexibility and authority to apply resources to individual needs. Parents should decide which schools or educational services will be used, and available public dollars should support their choices.

Decentralization does not mean doing more of the same on a smaller scale. More of the same is not good enough. Old methods of teaching children do not appear relevant or effective. In attempting to meet the needs of all students, the schools appear to be failing to respond adequately to the needs of individual students, especially low and high achievers.

Decentralization should be pursued for three reasons:

- To achieve a separation of policy and production. Elected officials need to be freed from operational decisions to devote their time instead to policy issues. "Production" or management decisions can thus be shifted to educational professionals at the school level.

- Because schools have been asked to address more conflicting goals than they can reasonably be expected to deal with. Research indicates schools are more effective when it is clear to their staff and students what the mission and goals are. Because there is little public agreement about what schools should do in the aggregate, educational professionals at the school level should be given more control over their school budget in order to carry out an institutional mission; then consumers can choose whichever school or educational services are most in line with their children's needs.

- To assist schools in becoming different from each other and thus increasing diversity and choice.

"School-based management," the goal of decentralization, makes each individual school the key unit for educational change and improvement. Although such management plans differ, they generally have two major features--greater control over the school budget at the school level and some kind of governance council at the school level to determine program priorities and allocate the budget in accordance with them. Because school principals control only an estimated one to ten percent of their school budgets, they have few incentives to control their costs. With budgets drawn at the district level, individual schools cannot define their own purpose and mission. District budgeting results in top-down planning. School-based management permits bottom-up planning with more control over resources exercised by those most closely involved with the process-- teachers, principals, and parents.

School-based management plans are in use in Florida, South Carolina, Utah and Michigan.

Among the educational innovations that could occur in a deregulated, decentralized atmostphere, the League found the following:

- The entrepreneurial teacher. Teachers would be paid on the basis of how many pupils they were able to attract. Teachers failing to reach a threshold number of pupils would be released. Parents would be given vouchers, worth cash, to buy the educational services of the teachers they preferred. Teachers might begin to join together, as do lawyers and doctors, and hire administrators to handle details. Teachers could have their own "practices" as do lawyers and doctors.

  In Chicago, for one example, a former teacher began a small business which contracts with 40 suburban districts to educate their hard-to-handle students.

- Buying services outside the school. Schools need the opportunity to purchase skills and knowledge from outside. Some obvious possibilities would include counseling, busing, building maintenance, extracurricular activities, nursing service. One proposal would make schools educational brokers of a sort, which would arrange for students and teachers to get educational experiences elsewhere in the community.

- Accelerated and imaginative use of new technology, primarily in computers and communications. In fact, new technology in a real sense enables educators, parents and students to bypass the stubborn rigidity of current educational practice. It allows personal decisions to be made on what, how, and where learning takes place. The educational system has been slow to respond to the inherent opportunities. One of the clear challenges is how to integrate home-based learning with school-based learning.

GIVE PARENTS A CHOICE

Because consumers are not united in what they want schools to do, and because individual schools can't do everything, the League recommends that parents be given the ability--with public dollars--to choose the school they believe is best for their children's needs. This approach--which could be but need not be implemented by vouchers physically placed in the parents' hands--should encourage the flow of capital to outstanding schools or service providers, which cannot happen in the present system.

It is the element of choice and the support of that choice with public dollars that is critical to the concept. Some school districts, notably Minneapolis and Saint Paul, are moving toward a limited, informal voucher system in which parents are allowed to select certain schools within the school district.

Magnet schools--so-called because of their educational

attractions—are allowed to draw students from outside their normal attendance areas and have been successful in both cities in doing so. Both school districts also offer a variety of elemetnary educational schools, ranging in course offerings from traditional to "free." Parents may select the school their children will attend.

The voucher approach can also be used within a school; the idea of the entrepreneurial teacher depends upon parents and pupils being free to make a choice. The concept could also be applied to several school districts or to a combination of public and private schools, including religious schools if they were willing to accept separation of sectarian practices.

The League recommends that the concept be applied initially to the Twin Cities metropolitan area but found no reason why it could not also be expanded to include the rest of the state.

While calling for deregulation of schools, the League is not urging there be no regulation. The Legislature, the State Board of Education and local school boards should continue to attempt to define common standards and expected outcomes. Education should continue to be universal for all students through the age of 16. Schools cannot be allowed to discriminate against pupils or teachers on the basis of race or economic status and must be open to all applicants. No school with access to public resources would be permitted to enroll a lower proportion of minority and low-income applicants than present in its application pool. Uniform standards for suspension and expulsion should be required. The purchase of services from private vendors would presumably have to be regulated.

But some current regulations and practices should be reviewed by the Legislature for possible removal, among them seat-time requirements, teacher certification requirements, mandated pupil-teacher ratios, collective bargaining contracts which relate pay exclusively to the number of years worked and post-graduate credits earned.

Even before any legislative action is taken, metropolitan area school boards should begin to shift authority and responsibility to principals and teachers in the individual schools. School-based authority should include budgeting of all funds, selecting personnel and determining salaries, devising instructional strategies, determing school policies and shpaing the curriculum. And school boards should also give parents the greatest possible opportunity to decide which school their children will attend.

The League also charges school boards with the responsibility to release relevant information, including but not limited to, standardized achievement scores, to assist families in making their educational choices.

A ROLE FOR BUSINESS

The League calls upon the business community to promote innovation of educational products and services by establishing a nonprofit organization to provide technical assistance to potential entrepreneurs and to create a for-profit venture capital fund dedicated to innovative educational enterprises. Access to expertise and capital will be limited over the next few years. If we are to get innovation, we must promote it; if change is to occur, the incentives must be available.

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DISSENTING VIEWS

The Citizens League is an independent, nonpartisan, nonprofit, educational corporation dedicated to understanding and helping to solve complex public problems. It has a long history of participation in resolution of Minnesota educational issues, including the landmark 1971 education funding equalization law, the creation of an upper division urban college without walls, a strategy for financing higher education and a proposal for dealing with declines in enrollment.

To prepare this report, a volunteer committee of League members met 42 times for about three hours over 13 months to take testimony from numerous observers of and participants in education. The committee, with the help of League staff members, developed the report for approval by the League's Board of Directors. Two members of the board filed dissenting opinions.

Both support the majority's contention that education is in trouble and in need of structural reform. But they object to the use of vouchers as an acceptable way to achieve reform and express grave doubt that a market approach to education will address serious issues of equity. Vouchers, said one, address only economic issues and have little impact upon discrimination and racism. The voucher scheme, said the other, is woefully inadequate, as is the present system, in its attention to the probable impact upon the educationally disadvantaged, the hard-to-teach, the hostile and unmotivated and some of the handicapped; these pupils, it is alleged, will be left in the underfunded schools, staffed by those teachers and administrators unable to get jobs in the new system.

The board majority, acknowledging the merit of those views, nonetheless concluded that all previous pressures to effect major improvements have failed. Fundamental change will occur only when there is incentive to change.

FOREWORD

A national re-evaluation of elementary and secondary education is now under way in this country.

At the national level a number of major studies by leading educational actors have been initiated to address the problem of declining educational attainment in the nation's public schools. Efforts are now under way at the Carnegie Foundation, to perform a "comprehensive study of the American high school" and suggest and finance reform proposals which are in accord with the study's conclusions. The National Academy of Education is conducting a study which is expected to recommend a new curricular core for middle schools and secondary schools. Several of the other major studies are detailed below:

- **The National Association of Secondary School Principals** and the National Association of Independent Schools are co-sponsoring a study in order to determine: 1) the purposes of American secondary education, including their conflicts, and the effects of these on schools, students, and teachers; 2) the adequacy of prevalent assumptions regarding adolescents and how they learn; 3) the high school curriculum, and its relation to educational purposes on the one hand, and to students on the other; 4) modifications needed in the high school in light of both the foregoing and the school's institutional history.

- **The National Commission on Excellence in Education.** Citing complaints "from every quarter regarding what many consider to be a long and continuing decline in the quality of American education," Secretary of Education Terrell Bell, has convened an 18 member commission to examine the problem. The group will spend 18 months examining U.S. schools, comparing them with those in other countries and identifying those that seem to be doing an especially good job. The commission expects to issue a report with "practical recommendations for action...by educators, public officials, governing boards, parents and others having a vital interest in American education."

- **Project Equality**. George Hanford, the president of the College Board (best known as the sponsor of the Scholastic Aptitude Test [SAT] and the College Scholarship Program) recently announced the formation of a ten year program to improve the preparedness of high school students for college. The program, termed Project Equality, was undertaken to reverse the decline in SAT scores that began in the early 1960s. The program's goal is to develop national standards of achievement for students who plan to attend college, as well as a national definition of "academic competency"—the ability to perform at the undergraduate level. The College Board expects to encourage both colleges and high schools to use such definitions in combination with a soon-to-be recommended academic curriculum in revising institutional standards and course offerings.

Minnesota, too, is examining the need for a re-evaluation of its elementary and secondary educational system. In early 1981, after studying educational policy for nearly 18 months, a Governor's Task Force headed by John Mooty concluded that Minnesota educators must look beyond money matters in the 1980s and focus instead on what, and how well, students learn. As the report stated, "Only a determined focus on the teaching-learning process offers significant promise of improving education in the years ahead." In its recommendations, the task force argued that the role of schools must become more clearly defined because of a growing number of expectations placed on them. The report also recommended that the state's educational system promote greater utilization of new technology, find ways to attract and retain high-quality teachers, move toward the development of regular assessment programs to test students in the areas of basic skills and knowledge, determine how adequately Minnesota's teachers are trained and licensed, and begin to design educational programs to meet the needs of individual students.

Recent legislative activity has also been a part of the re-evaluation of education in this state. In 1981, *The Minnesota Improved Learning Act*, authored by State Senator Jerry Hughes, was enacted. The legislation urged that schools and school districts be given more flexibility from State Board of Education rules in order to implement unique or innovative learning arrangements. The legislation encouraged a variety of new roles for educators including the concept of the teacher/principal and the career teacher working full time all year long. In 1982, an amendment, authored by Representative Ken Nelson, continued this trend by encouraging the State Board of Education to "grant a variance to its rules

upon application by a school district for purposes of implementing experimental programs in learning or school management which attempt to make better use of community resources, teachers, paraprofessionals, or available technology."

In this time of ferment, it is not surprising to find the Citizens League playing an active role in studying what we should do. The CL record of interest in Minnesota education (especially public education) is extensive, reaching all the way back to the 1950s and its involvement in the issue of independent status for the Minneapolis Public Schools.

In 1962, again on a Minneapolis issue, the League opposed approval of a bond issue, pointing to a strategic preference for construction over rehabilitation of the existing facilities. Toward the end of the 1960s, reports emerged calling for a merger of the community college and area vocational-technical systems and for the use of differentiated staffing in schools to stretch the use of the educational dollar.

In 1970, a CL committee put together what is probably the organization's most memorable contribution to education in Minnesota—an approach to school aids featuring equalization of wealth behind the opportunity for each student in the state. In 1971 the Legislature enacted in law a bill designed around the main features of the League report.

Also in 1971 was the proposal urging the creation of an upper division urban college without walls—an idea translated legislatively into Minnesota Metropolitan State College (now Metropolitan State University). And a League report on collective bargaining contributed that year to changes in applying labor relations law to professional educators.

The mid-1970s encompassed reports recommending stronger, more formal accountability mechanisms for planning, evaluation, and review (PER) in school districts (1972); measures to deal with predicted decline in enrollment (1974); and a strategy for financing higher education which stressed shifting more resources to student aid, letting aid to institutions follow student choices (1977).

Finally, in 1979, a CL committee looked at the status of desegregation in the metropolitan area. Observing that numerical desegregation seemed to be substantially accomplished, its recommendations focused on assuring that integration takes place in desegregated schools and on improving the quality of the opportunity to learn.

INTRODUCTION

> "The public school system in the United States is the basic institution of the democracy. The schools have served democracy very well for several generations. Over the past years, the public school system has received increasing criticisms from all sides. Serious questions are raised about the capability of the schools to continue to serve as a basic institution in our society. The techniques which worked so well now do not appear to work very well at all. If the old techniques are not replaced by new techniques which do work, the future of the public school system as a basic institution in the United States is in great danger."[1] George Young, Superintendent, Saint Paul Public Schools.

Our system of education has, from most accounts, come to a critical crossroad. The turns we may take, towards some strategies and away from others, will determine how well our community responds to the challenges we face.

The findings, conclusions, and recommendations advanced in this report should be viewed in the context of the dominant features on the educational landscape over the past 20 to 30 years. While a definitive list of prominent changes is no easy matter, some seem to stand out:

A dramatic increase in the number of students, both as a proportion staying in school and from growth in population. The measurable consequence has been an era dominated by attention to building facilities, staffing, and organizing a growing enterprise.

The trend towards consolidating schools and school districts (still in progress though now as a function of retrenchment rather than growth). The results of this movement were legion. Power became centralized at the district level. School boards and superintendents found themselves heavily involved in the operational details inherent in large systems, thereby making it difficult for them to spend time on matters of educational policy. Larger schools provided the volume necessary to expand curricular offerings though at the cost of depriving many students of the individualized attention they needed to make progress.

A heavy emphasis on building comprehensive schools rather than providing a comprehensive education. The managerial problems inherent in attempting to organize first a burgeoning youth population and later a rapidly declining youth population cannot be overemphasized. Thus, however many educators prize educational diversity, they have "always felt the pressures of a community whose first requirement called for our young to be housed in an orderly place at reasonable cost."[2] Such pressures have caused schools to confine learning opportunities largely within the school building rather than expand them by taking advantage of community resources. This strategy proved inadequate. Resources are now too scarce, knowledge is expanding too fast, students needs are too diverse and the confines of one building are too small to contain the myriad of learning possibilities available.

The emergence of a major societal effort to promote equality between racial and income groups using schools as the essential vehicle for implementation. In our community and many others the goal of equal educational opportunity has been sought in many different ways. Attempts at equalizing the amount spent per pupil was one means of seeking this goal. Voluntary or court-ordered busing to desegregate school districts was another. It is important to recognize that some important progress has come from these efforts. For example, between 1965 and 1976, the proportion of blacks increased from five to eleven percent of all college students. In 1980 the percentage of black high school graduates going to college exceeded that of whites for the first time.[3] At the same time, however, little real progress seems to have been made on the minority drop-out rate. There is growing awareness that the public schools' claim to the title of "public" in the sense of being accessible to all is flawed by the tendency of school district boundaries to preserve, almost inviolate, existing class and income distinctions.

The societal trend to overburden the schools with more tasks than they could reasonably be expected to handle effectively. In addition to the historical expectation of transmitting the cultural heritage, we came to rely on schools as the primary agency for reducing racial tensions, teaching sex education, shunning the use of drugs, and compensating for many disabilities and handicaps. Our degree of reliance on schools has also had the effect of disconnecting adolescents from a sense of an integrated society, encouraging (albeit indirectly) the generation gaps and subcultures which pose enduring problems for an interdependent society. Finally, using the schools as "holding tanks" has encouraged the

practice of treating adolescents as dependent children at the very moment when they seek to be trusted with greater responsibility.

As a report by the National Panel on High Schools and Adolescent Education stated:

> "We babysit, at very high cost during the day, the nation's night time babysitters: we trust our infants to their care, but impose childish and costly controls over them."[4]

Studies claiming that achievement in life is more strongly related to factors of family, and social and economic status, than to educational experience. The 1965 Coleman study,[5] widely quoted as having come to this conclusion, sent shock waves throughout the educational community. Critics claim this study may have demoralized professional educators, thereby serving as license to some educators to believe that all school efforts to improve educational attainment were inherently futile. Later studies, such as Michael Rutter's work, *15,000 Hours*,[6] challenged the Coleman findings by concluding that schools could affect the performance of both poor students as well as higher income students.

A marked increase in the level of concern about the quality of educational attainment, as manifested by reports of grade inflation, declines in standarized achievement test scores, growth in the number of remedial courses required at the post-secondary level, a proliferation of remedial programs within business firms, and the like. Explanations abound, and one is not wisely attracted to simplistic interpretations. However, whether from polls of public perceptions or from the evidence that is available, it is clear that a problem exists.

The mix of declining enrollments and reduced spending for education in recent years. Spending on elementary and secondary education in Minnesota historically has exceeded the national average; it still does but by a much smaller increment.

For the decade 1969-79 total elementary-secondary education spending nationally increased 17.1 percent. (This and other figures are expressed in constant dollar terms.) In Minnesota, the increase was 4.3 percent. Spending per pupil went up 25.3 percent nationally for that period, while in Minnesota the increase was 13.8 percent. And the decline in enrollment in Minnesota exceeded the national average rate.[7] As a percentage of state personal income, spending on all education was 10.2 percent for 1972, 8.9 percent for 1977, and 7.4 percent for 1980, and is now at 107 percent of the national average.[8] It will not be an easy matter to increase public educational spending in the near future.

A CALL FOR SUPPORT OF CHANGE

The report which follows is a call for support of change already under way, for attention to strategies which fit the challenge our communities face, and for a renewal of our commitment to a society whose education is sufficient to its future.

In considering its charge, the committee was consistently mindful of the complexity and limitations of its task. It was privileged to look at creative, unusual ventures and to think about others which are only as yet imagined. It was aware that education is our largest, most expensive, and perhaps our strategically most critical public service. To talk about changing it is to invite serious arguments over both whether and how.

The system as we now practice it seems to work very well for many. There is a constituency which sees no case for change. Especially where there have been adequate resources and a professional performance combined with high student motivation, the results are excellent. We must question, however, whether this is the majority experience, and whether it will continue.

The preponderance of testimony to this committee, much of it from key educators themselves, recognized the need for educational change, sometimes of dramatic proportions. Initially, this surprised our committee. In retrospect, it should not have, for by the end of our study we came to understand more clearly than ever before that public educators are looking for new directions while being forced to dismantle a system they cherish. In stark constrast to the weariness of many of the educators we talked to was the visible excitement to be found in those offering new ways of organizing, managing and delivering the educational service. Our committee recognized early on that it was fortunate to have had the opportunity to examine alternatives without being besieged with operational decisions and declining financial revenues.

Our committee came to understand that the prospects for achieving real educational change may be better here than in many other states and communitites. This state has a well recognized commitment nationally for assuring that a strong educational system is maintained. Many important educational innovations have been started here, including the alternative school movement in Minneapolis and Saint Paul. Our state early on realized the importance of technology and has begun the long effort to adapt it to its schools. Minnesota educators are honestly concerned about quality, and

they speak candidly about it. We are comparatively rich in leaders capable of bringing about an educational renewal.

Proposals for changes are understandably burdened by the deep stake of many constituencies in the status quo. Consider the rising political turmoil over school closing decisions, continuing layoffs with attendant morale problems, and all the other classic declining industry difficulties. But what are the prospects, for all of us, if significant change is not accomplished? Recovering a sense of public confidence and restoring the resources which may be required for real progress could be out of reach.

FINDINGS

The Citizens League's Educational Alternatives Committee began its work by examining "what strategies, tried or untried, deserve more attention and hold more promise for constructively altering the (K-12 public school) system." Educational alternatives are by their *nature* exceptions, often isolated and rarely publicized. Sometimes they are found within the dominant public system. Often they are found outside it, in competition. The value of a study of alternatives is that it frees people to cross these competitive and political boundaries and explore new possibilities.

What follows is a non-prioritized, descriptive compendium of educational alternatives. Some are already functional. Others are potential models for implementation. Collectively, they represent the most interesting examples of the alternatives our committee encountered.

NEW WAYS OF MANAGING, DELIVERING AND FINANCING THE EDUCATIONAL SERVICE WERE PRESENTED TO THE COMMITTEE.

New ways of managing and delivering the educational service are possible through school based management, encouraging teachers to become entrepreneurial, purchase of service arrangements and greater use of new technology.

School site management. School based management is a decentralized form of school district organization and management in which each individual school becomes the key unit for educational change and improvement. School based management schemes differ. But at least two major features are generally included in any school based management plan.[9]

The first of these is greater control over the school budget at the school level. Today, principals at the building level control only one percent to ten percent of the school's operating budget. Because schools control so little of their own budgets, they have few incentives to control their costs. District based budgeting processes prevent schools from defining their own purpose and mission. District budgeting results in "top-down" planning. By contrast, school based management would result in "bottom-up" planning with more control over resources being exercised by those most closely involved with the education process itself–teachers, principals, and parents.

A second distinguishing feature of most school based management schemes is that some kind of governance council is formed at the school level. Various strategies suggest different types of composition for this council. Some suggest a parent majority or an equal number of parents, community members, students and educators. Others suggest that the council be all educators or perhaps have a majority comprised of teachers. The essential function of the council would be to determine program priorities and allocate the school's budget in accordance with them.

Other areas for which a school governance council might assume responsibility could include school curriculum, selection of instructional personnel, selection of the principal and comprehensive planning. (The ways in which schools' assumption of these responsibilities could change the present system are shown in Appendix 1.)

School based management assumes that the resources for change and improvement are already in the school-community system. What is needed is to learn how to use existing resources more effectively through comprehensive strategies, or reallocation, and to learn how to release energy available which is not constrained.[10] Because of this assumption, some people have suggested that school based management could be a more effective and politically palatable means of making budget cuts. Under that kind of system, individual schools could set their own priorities and make their own judgments about what was not essential to their programs.

One local advocate of the school based management approach is Elliot Perovich, principal of Blaine High School. His ideas would combine the school site management idea with a gradual relaxation of various state and local regulations. The result would be a "deregulated" school which would have the status of a non-profit corporation. While it would guarantee results, the school would have much more control, operationally, over achieving those results. The school would negotiate a lump-sum budget with the district. Any economic efficiencies obtained by the school could be transferred back to teachers and possibly parents as well via profit-sharing. Teachers could be hired on a contract basis. Some of them would be hired for a 12 month period as "master-teachers," Others might be hired for shorter periods or specific purposes or tasks. Thus, staffing would be differentiated with compensation appropriate to the level of pro-

fessionalism attained. More paraprofessionals would be used as well as volunteers. The volunteers could be utilized in ways similar to hospital auxiliaries.[11]

School based management plans are in practice in Florida, South Carolina, California, Utah and Michigan, according to materials from the National Committee for Citizens in Education, a leading national proponent of school based management.[12] Additionally, the Northwest Area Foundation is currently encouraging innovative educational projects of this sort through a series of planning and implementation grants.

The Entrepreneurial Teacher. Ralph Lieber, superintendent of the Edina Public School District, has argued that the present form of school organization is "counterproductive to encouraging professional behavior from teaching staffs." This is so for a number of reasons, Lieber says.

> "The organization does not provide directly to the classroom professional his or her budget to be allocated in a manner that is more responsive to the unique needs of the students served in a given year. The organization generally prescribes the student/teacher ratio rather than letting it ebb and flow based on the professional's capacity to successfully accommodate varying numbers of students based on individual goals or objectives for the learner. There are no organizational provisions to allow the professional to enhance his or her capacity of working with young people by purchasing classroom assistance as he or she may see fit. There is little or no opportunity for the professional to determine what is an appropriate division of labor, allowing the teacher to carry on those skills requiring a greater degree of training while delegating to others those that may require less and be paid a lesser salary."[13]

In order to correct these deficiencies, Lieber suggests that parents be given a voucher to be used in selecting a teacher within a given school building. Teachers would be paid according to the number of pupils they were able to attract. (Lieber is willing to assume that teachers would not engage in "gimmickry" in order to attract students.) Since tenure would be eliminated under this system, teachers failing to attract a threshold number of students would be forced to leave. Although schools could set limits on class size, it would be up to teachers to effectively manage that class size, including the "budget" gathered from student vouchers.

For teachers, Lieber's proposal is a form of school based management at the classroom level. Given more control over their own budget, teachers could acquire supplies, materials and equipment specifically designed for students' individual learning needs. Moreover, teachers could acquire new technology or other support personnel to absorb the more mundane tasks and thereby allow more time to be spent in direct instruction or interaction with students. Teachers could set their own hours. And, most importantly, outstanding teachers could find their talents financially rewarded. In fact, under this system, administrators might eventually work for teachers.[14]

Were that to occur, the schools' present organizational structure would be inverted. Rather than administrators hiring teachers, teachers could hire administrators. Other professions are organized this way, most notably medicine and law. The characteristics of those professions show that: legal and medical professionals own their own office space, are not nearly as regulated as public educators, are increasingly taking on more paraprofessionals and becoming more highly mechanized. Both medicine and law are performance based systems. If the rates get too high or service is not satisfactory, clients have the option of choosing another vendor. Quality, then, is partially determined by whether clients use their services again. In law, the business is owned by the partners. This is true, too, in some medical practices. In both fields there are general practitioners and specialists, and legal and medical organizations display varying mixes of these two professional types.

If the characteristics of these professions were applied to teaching, what might that model look like? Teachers would have their own "practices." The practices might be specialized, dealing only with reading, math or science skills or perhaps with certain kinds of learning disabilities or "problem children." Or the practices might be generalized, a variety of teachers able to teach a variety of subjects and learners. A practice could contract with a district, a school or parents to provide this service. The practice would monitor the performance of each of its members. If a teacher was not attracting enough business, or had received unsatisfactory comments from clients, dismissal could result. A career ladder might be formed within the firm, so that over time a teacher might become the equivalent of a partner or senior partner. Perhaps "master teachers" could evolve, as State Senator Jerry Hughes has predicted.[15] Having a career ladder would mean differentiated staffing, which means more use of paraprofessionals or associate teachers who are paid according to their status in the firm.

During its deliberations, our committee learned of at least one example of a successful entrepreneurial teaching business.[16] Over time, a former teacher and assistant superintendent in the Chicago area, Jim Boyle, became convinced that the needs of "problem students" were not being adequately addressed. He also felt that schools could be run on a smaller basis, more economically and more effectively. So he started

a small business called Ombudsman. Ombudsman contracts with 40 northern suburban Chicago districts and one district in Champaign, Illinois, to educate their hard-to-handle students. To do this, Boyle has set up a number of "learning centers" which are open from 7:30 a.m. to 4:30 p.m. At each location there is a teacher with several aides and a small computer. The program currently works with a total of 350 students but 50 to 60 students is usually the maximum number with which each center deals. Each student is in school for three hours a day, five days a week. Students are allowed to select their own hours for attendance, which must be maintained. They are expected to furnish their own transportation to school. Ombudsman offers a full and complete curriculum although 90 percent of the program is dedicated to basic skills. The instruction is completely individualized. There is no classroom teaching. Each student is diagnosed for approximately three weeks after enrolling in a computerized program developed to meet individual learner needs. The program uses only the per-pupil allotment ($2,100 in 1981), but because Ombudsman is run with differentiated staffing and has substituted some capital (the computer) for labor, it has become a profitable business venture. Under Ombudsman's contractual arrangements with districts, the districts retain their state aids even though they refer problem students to the program. While some districts may incur some additional expense by referring some students to Ombudsman, the program generally is able to offer its services at a cost that is below the districts' average cost per pupil. Ombudsman expects to expand its operations soon through contractual arrangements with public school districts in the state of Arizona.[17]

Purchase of service arrangements. Over time, more and more schools have tried to offer a comprehensive education within their four walls. Today, knowledge is accumulating at such a rapid pace, there is no way that any school can contain it. Moreover, given the growing shortages of public resources it is increasingly difficult to offer comprehensive services at one site. Thus, some educators are beginning to talk about purchasing services either from within the school or from the outside community. Ralph Lieber, for example, gave the example of a school wanting to contract for counseling service.[18] It could contract outside the school—with public agencies or with private social workers. Doing so need not exclude current staff counselors, for they could be allowed to compete for the contract too. Other examples, might include the nursing service, busing, building maintenance, in-service training, and the provision of extra-curricular activities.

The Minnesota Futurists (a state chapter of the World Futurist Society) have taken this concept even further by suggesting that schools become educational brokers of sorts, arranging for students and teachers to gain educational experiences directly in the community.[19] (See Table 1.) Breck, a private school, currently contracts with the Minnesota Zoo for some of its science courses and with the Children's Theatre for some drama instruction.[20]

New technology. The growth and development of many new technologies such as personalized computers and cable television are producing major alternatives in the management and delivery of the educational service. These new technologies have the potential to:

- **Change the pace of instruction in accordance with individual needs.** For the remedial student, computers can offer greater ability to repeat or reinforce what is being learned without deterring the more rapid progress of other students.

- **Change the structure of the school day.** Just as in watching television, many students are willing and content to work at the computer for extended periods of time. Personal computers and cable television programs can extend the delivery of knowledge beyond the parameters of the typical school day.

- **Change the role of the teacher.** Teacher roles would shift from lecturers to learning managers. In addition, computers can remove many of the mundane chores such as grading papers from teachers, thereby allowing them to spend more time with students on an individual basis.

- **Bridge district-to-district, school-to-school or school-to-home curriculum gaps.** Through cable television, schools or districts unable to offer certain basic or more advanced courses could simply make arrangements to tune in to the class in a neighboring institution. Computer software offers much the same capacity and extends this capacity into the home.

- **Make schools more cost effective.** Assume, for example, that a school lost a teacher via attrition. The teacher had a salary of $24,000 per year. Over a two year period the teacher would have earned $48,000. For that salary over the same period the school could have purchased roughly 24 small computers at a cost of $2,000 each and a life span of about eight to ten years.[21]

- **Change the site at which the educational product is delivered.** (There are already more small computers in homes than in schools. See Table 2.)

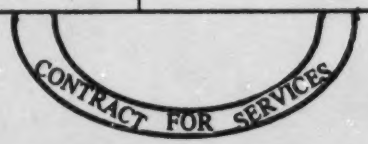
Perhaps the best summary statement of the potential of technological innovation to effect a climate for major educational change has been made by Seymour Papert in a recent book entitled, *Mindstorms–Children, Computers, and Powerful Ideas.* Papert states:

TABLE 1

FUTURE EDUCATIONAL SYSTEM MODEL 1

COMMUNITY BASED LEARNING	EDUCATIONAL BROKER CENTER	LEARNING CENTER
Hospitals Airports Children's theatre Horticulture centers Industries Radio stations Newspapers Scouts Libraries Camps Architect's studios Maintenance crews Day care Retail sales Technical centers Surveys Senior citizens Travel programs Outward bound Mobile learning units Zoos Science museum Space centers Chamber orchestra Factories TV stations Community centers 4H Farms Nursing homes Construction sites Tutoring Recreational centers Colleges & Universities Government agencies Legislative bodies Finance industry Adventure learning Community projects MENTORS: poets, ham radio operators, writers, scientists, etc.	This provides a center for assessing a student's needs and devising an appropriate program for learning. The student's educational advisor acts as an EDUCATIONAL BROKER. That is, the broker arranges suitable learning activities to accomplish the student's educational program. Contracts are set up with a variety of agencies, persons, sites to provide the needed learning experiences. These might be with such sites as are listed to the left. Or they might be established programs at the LEARNING CENTER. The broker is responsible for meeting regularly with the student and parents to review goals and to monitor progress. The learning program is adjusted periodically as needed. The broker maintains records and has available a variety of assessment devices. Specialists are available as needed to assist in diagnosis. The Educational Broker Center is available for conferences and provides a location for people of any age to examine their goals and life directions. Other descriptive terms for the broker's role include: facilitator, arranger, monitor, guide, advisor, friend, and expeditor.	Media center Study carrels Computers Films Video tapes Basic skill instruction Tutoring Advanced courses Regular courses

SOURCE: Minnesota Futurists, 1981



"We are at a point in the history of education when radical change is possible, and the possibility for that change is directly tied to the impact of the computer. Today what is offered in the education 'market' is largely determined by what is acceptable to a sluggish and conservative system. But this is where the computer presence is in the process of creating an environment for change. Consider the conditions under which a new educational idea can be put into practice today and in the near future. Let us suppose that today I have an idea of how children could learn mathematics more effectively and more humanely. And let us suppose that I have been able to persuade a million people that the idea is a good one. For many products, such a potential market would guarantee success. Yet in the world of education today this would have little clout: A million people across the nation would still mean a minority in every town's school system, so there might be no effective channel for the million voices to be expressed. Thus, not only do good educational ideas sit on the shelves, but the process of invention is itself stymied. This inhibition of invention in turn influences the selection of people who get involved in education. Very few with the imagination, creativity, and drive to make great new inventions enter the field. Most of those who do are soon driven out in frustration. Conservatism in the world of education has become a self-perpetuating social phenomenon.

"Fortunately, there is a weak link in the vicious circle. Increasingly, the computers of the very near future will be the private property of individuals, and this will gradually return to the individual the power to determine patterns of education. Education will become more of a private act, and people with good ideas, different ideas, exciting ideas will no longer be faced with a dilemma where they either have to 'sell' their ideas to a conservative bureaucracy or shelve them. They will be able to offer them in an open marketplace directly to consumers. There will be new opportunities for imagination and originality. There might be a renaissance of thinking about education."[22]

As Papert indicates, much of the new technology enables educators, parents and students to bypass the predominant conservatism and lock-step methods of current educational delivery. Further, it allows personal decisions to be made on what, how and where learning takes place. An emerging challenge will be how best to integrate home-based learning with public educational policy and management.

Several recent developments could significantly aid the rapid dissemination of new technologies:

- **Development of computer languages that go beyond drill and practice programs.** These new computer languages are based on the premise that children should proactively instruct or program computers themselves rather than retroactively react to preprogrammed instruction. In order to achieve this goal, a new computer language has been created that is sophisticated enough for adults to use to create elaborate software, but also accessible enough that young children can write programs of significance. The LOGO language is the leading example of this new tool and is being used in elementary schools in New York City and Dallas.

- **The growth of educational computer software programs for the publishing industry.** Personal computer manufactors are initiating major efforts to assist top textbook publishing houses and individual authors in their software development projects by providing technical information and marketing direction. The major thrust of the program is to develop software for use by students at all levels of education.

- **National legislative proposals offering tax incentives to computer companies in exchange for their provision of computers to public schools.** Representative Pete Stark, a Democrat from California, has proposed that computers be added to the tax law that allows companies to deduct from their taxes part of the value of equipment that they donate to schools. Additionally, Stark is attempting to increase the percentage of such corporate charitable deductions from 10 percent to 30 percent. Part of the motivation behind these changes has been an offer from a leading personal computer firm to provide one of its computers to each of the nation's 83,000 elementary and secondary schools. Because each computer costs approximately $2,495 the proposal amounts to about a $200 million giveaway. (Skeptics have argued that the offer is merely a marketing ploy designed to encourage schools and students to purchase additional computers of the company's brand.) In return for the machines, the computer firm is seeking a $20 million tax credit from the U.S. Congress.

Some parts of the country are already moving beyond dissemination to implementation of these new technologies. Computers in various school projects have been initiated in the New York City public schools. Several other national computer firms are working closely with some schools and have also started a small number of model schools or alternative learning centers in which to illustrate various uses of computers in education.

An example of a major technological implementation project

in our own state is the school district of Littlefork-Big Falls. There, the A.E.R.S. program (Academic Equity for Rural Schools) offers 500 to 600 different courses through individualized instruction methods for the 600 students in the district. The individualized instruction methods used include correspondence courses, audio-visual programs and computers. An editorial in the Grant County Herald commented:

> "What excites us about the Littlefork-Big Falls approach is that the students there have a nearly limitless offering of course opportunities without the pains of consolidation with a larger district. The two communities enjoy the vitality which a school brings to a town, without depriving students of a wide range of academic opportunities."[23]

The program is located in a small classroom. Students are shuttled in and out of the room during the day at a rate of 14 per hour. According to Littlefork counselor Mike Clay, 70 percent of all instruction is handled through correspondence courses from five different universities. Whereas correspondence courses are usually employed as add-ons to regular courses, the A.E.R.S. program uses them to deliver the whole course. Students in the program initially go through a battery of diagnostic tests designed to determine their level of attainment in specific subjects as well as their preferred style of learning. Then a special program is designed for the student. The students and their teachers agree via a contract on what the student is to complete in a six, nine, or eighteen week period. Students record their work on a computer each day, thereby allowing teachers to monitor their daily progress. Within some limits, the student has control over the speed with which the course is completed. Students are graded on what they accomplish and actually retain rather than on how much time they spend on the course.[24]

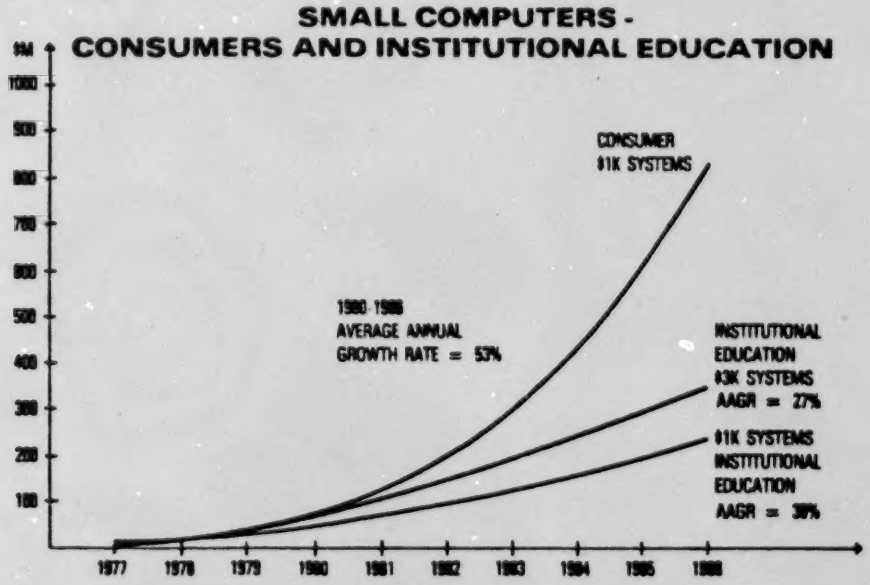
Alternative means of financing education.

Negotiated tuition. In Kankakee, IL, Albany, NY, Denver, CO, and Mishewaka, IN, parochial schools beset with financial difficulties are using a new strategy to make up for lost revenues: negotiating tuition.[25] Parents and educators typically meet and confer about how much of the year's tuition the family can afford to pay. Some parents pay the full cost. Others pay as much as they feel they can afford. The end result is a parent pledge to pay the agreed upon sum.

There appear to be several causes for the new strategy. The first is simply enrollment declines caused by the aging of the "baby boom generation." The second reason is that school officials soon found that increasing tuition uniformly caused some students to leave the parochial schools. To keep them enrolled, parochial leaders hit upon the negotiated tuition strategy as a way to raise total revenue while charging differentiated tuition.

The tactic appears to have worked. In Kankakee's Bishop McNamara High School, for example, enrollment in-

TABLE 2



SOURCE: Authors: Portia Isaacson and Egil Juliussen, June, 1981, Future Computing Inc., 634 South Central Expressway, Richardson, TX 75080

creased 56 percent from 128 to 200 students because some parents who had withdrawn their children found the negotiated tuition strategy attractive and decided to re-enroll. Tuition revenue increased nearly 20 percent with approximately 12 percent of the parents paying the full cost.[26] Similar tuition revenue increases were observed in other locations: 15 percent for Catholic schools in New York, 21 percent for Catholic schools in Denver. Negotiated tuition has not been uniformly effective, however. A parochial school in Mishekawa found that 50 percent of its parents pledged less than $800 although the full cost was $1,500.[27]

A similar model for negotiated tuition exists locally. The Southside Family School, a non-public school in Minneapolis that is essentially a parents' educational cooperative, uses a "pledge" process to generate tuition. Parents pay according to family income and family size. In 1981, the most that any family paid at the school per month was $125. The least amount was $15.[28]

The Southside Family School has only 45 students in kindergarten through sixth grade. The school had over 100 students on its waiting list in 1981. Virtually 90 percent of Southside students come from low to moderate income families. Approximately 43 percent of its students were minorities in 1981.[29] The school reports that its popularity stems from the fact that it is able to deal successfully with many "problem" youngsters who have not done well in public schools. In Southside's small school, however, with many opportunities for individualized instruction in a "family type" school, these problem children appear to have developed a new interest in education.

"Sweat equity." At some schools in the metropolitan area, students and/or their parents are expected to supplement their tuition with labor. That is, their labor is used as a form of capital or "sweat equity" which contributes to the net economic vitality of the school. (While this concept is not particularly a new idea, it is one from which there has been some retreat.)

At the Southside Family School, for example, parents are involved in all of the decision-making functions and comprise two-thirds of the membership on the school's Board of Directors. In addition, parents contribute their time, labor, and materials to the school in the form of carpentry, janitorial services, inventory work, and even some teaching.

At the Minneapolis Children's Theatre School tuition is $1,500. This tuition is partially subsidized by the profits from the Children's Theatre. The relationship between the Children's Theatre and the school is an example of sweat equity. While the threatre's budget is only $1.6 million, the total cost of performances exceeds $2 million.[30] The difference is made up by students who contribute their time and labor to the performances. A spokesman for the school commented that since students are expected to perform before live audiences, and the theatre must turn a profit, a very high standard of excellence is expected.[31]

The Minnesota Futurists have taken this financial mechanism one step further and envisioned a "self-sufficient" school. In that model, the school becomes a miniature society. Students are expected to take on a variety of responsibilities. The reasons for this, according to Wayne Jennings, a member of the Futurists and principal of Saint Paul Central High School are that:

> "The functions of school are normally assigned to adults with students in a receiving or passive mode. In a new model, students handle many of the tasks assigned to adults. These tasks are seen as important, valuable learning activities for youth. In addition to developing a greater sense of responsibility, students learn rapidly when actively engaged in tasks of consequence and benefit to all. Finally, students develop a sense of ownership in the school."[32]

Students would be partners rather than clients under this model, able to perform all or some of the following tasks:

- Building and grounds maintenance
- Building repair
- Cafeteria: planning menus
- Cafeteria: purchasing food
- Cafeteria: preparing food
- Tutoring
- Teaching classes
- Devising computer programs
- Publishing a community newsletter
- Handing public relations for the school
- Decorating the building

Vouchers. A voucher is simply a mechanism that allows parents to pay for the educational service in schools which they select. The process may be formalized by an actual transfer to parents of a piece of paper, voucher or "chit," which the parents could then turn in to their chosen school and the school could cash. (A current example of a type of formal voucher is the food stamp program.) Or the process could be a more informal one in which parents would simply choose a school, register their children and the chosen school would be entitled to public reimbursement. In the latter case, no actual voucher need change hands. (This kind of voucher arrangement has been used in higher education—most notably in the GI Bill following World War II.)

Voucher proposals have been made in Minnesota before. In

the early 1970s, the Federal Office of Economic Opportunity offered various pilot grant programs to encourage the concept. Minneapolis was one of several cities under consideration. The Minneapolis Tribune endorsed the concept in an editorial dated October 13, 1970, and urged that the Minneapolis School Board give it a try. Upon the recommendation of then Superintendent John Davis, however, the Board rejected participation in the program. A voucher bill was introduced into the 1973 Minnesota State Legislature. Authored by Representative Linda Berglin in the House and by Senator Steve Keefe in the Senate, the bill permitted six school districts to implement and experiment with a voucher program that would have included both public and (under specified conditions) private schools.[33] The measure passed the Minnesota House (71-54) in the spring of 1973 as well as the Senate Education Committee but failed to emerge from a subcommittee of the Senate Finance Committee.

A November 1980 Gallup Poll found that the public, by a 47 to 42 percent margin favored the implementation of a voucher system.[34] Significantly, however, there is a major difference of opinion between the attitudes of blacks and whites on this issue. The same Gallup Poll revealed that while whites favored the voucher system by a slim 51 to 49 percent margin, blacks favored the idea by better than two to one. (Blacks surveyed felt by a 64 to 36 percent margin, that the voucher system should be adopted.)[35]

Within the last two years, according to the Center for Research on Private Education, voucher bills have been introduced in the Indiana and Ohio Legislatures. The Indiana bill proposed a voucher system among public schools within school districts and non-public schools meeting defined criteria. Transfers to other districts would have been subject to approval by the home school district, and tuition would have been paid by a state-created fund.[36] The Ohio bill was specifically targeted to districts having 17,000 or more students.[37]

During the course of our work, we encountered many different kinds of voucher proposals. These may be briefly described as follows:

- **A voucher system set up within a school.** (The reader will remember that the Entrepreneurial Teacher concept involved giving parents vouchers so that they could select the teacher of their choice within a school.)

- **A voucher system set up among public schools within a single public school district.** The most widely known voucher experiment was held in the Alum Rock, California school district from 1973-1975. That experiment allowed parental choice of schools within a single district even though the sponsor of the project, the U.S. Office of Economic Opportunity, sought to expand the concept to include private schools as well.

Some school districts, such as Minneapolis and Saint Paul are increasingly moving toward a kind of limited, informal voucher system in which parents are allowed to select certain schools within the school district. The best example of this kind of informal voucher system at work are Magnet schools. Magnet schools are those schools which are able to draw students from other schools' attendance areas within a school district and occasionally from outside it as well. Magnet schools have proven to be very popular locally. For example, in 1980, the central administration of the Saint Paul School District projected that the Murray Magnet Junior High would have a student population of 320 students. But 390 students showed up for the first day of class. In 1981, the central administration predicted a student population of 425 students. Approximately 500 showed up.[38] The same phenomenon held true for another Saint Paul magnet program–Saint Paul Central Senior High School. When Saint Paul officially began its second year as a magnet program in 1981, school officials predicted that 1,500 students, including the newly added ninth graders, would attend the school in the fall. At the end of the first week, however, the total enrollment was 1,751, more than 250 students than anticipated. According to school statistics, approximately 40 of those new students were tenth through twelfth graders who transferred from private schools.[39] Despite the fact that parents and students are able to choose magnet programs, segregation has not been a factor. Magnet schools tend to be far better integrated than most. In fact, Minneapolis' Central High School Magnet program was designed to help integrate the predominately minority institution by attracting majority students. It has been effective in doing so.[40]

For the last several years the Minneapolis and Saint Paul school districts have been allowing more choice for residents on which school building to attend than other districts in the metropolitan area. Both have permitted a pupil to attend anywhere in the city, so long as a choice of building doesn't contribute to racial segregation in either the school building selected or the building to which the pupil would otherwise have been assigned. Minneapolis and Saint Paul have provided elementary schools which offer different educational settings, depending upon preference of the parents/pupils. For example, a parent in Minneapolis may select from the following: a) fundamental, b) contemporary [traditional], c) continuous progress, d) open, and e) free. Several Twin Cities area suburban school districts have allowed some form of open enrollment among the buildings within their respective boundaries.[41]

- **A voucher program set up among public schools in several public school districts.** This kind of voucher plan might create "choice zones" in which parents could

choose a school in one of the districts involved, including the home district.

- **A voucher system set up among public school systems and private school systems.** Generally, this kind of system can be of two types: a regulated system in which conditions are placed on private schools in return for the ability to cash public vouchers or an unregulated model in which no such constraints are introduced. Christopher Jencks of Harvard University has introduced a voucher system of the former type. Milton Friedman of the University of Chicago, has introduced a voucher proposal reflecting the latter type.

- **The Coons-Sugarman California voucher proposal.** One of the most comprehensive voucher proposals to date has been devised by Professors John Coons and Stephen Sugarman of the University of California at Berkeley. Professor Coons spoke with our committee via a long distance conference call. During the conversation, he described his plan which has essentially six major points. [42] (For more detail, the interested reader should consult Appendix 2.)

  - The Coons voucher plan would leave all existing public and private schools in place. In addition, however, it would create a new class of public schools called "New Public Schools." New Public Schools would be deregulated in the sense of not having to comply with certain kinds of existing rules and regulations. Such schools would be set up by school districts as separate public corporations. Depending upon their Articles of Incorporation, the "New Schools" could be bound to the parent district very closely or very remotely; thus their management and governance structure could take many different forms. The schools could gain control over their budget, curriculum and hiring while remaining under general supervisory control of the school district board.

  - Pupils would no longer be required to attend school in their districts of residence. Parents and students could choose to attend any traditional public or New Public School within their home district or outside it.

  - School districts would no longer receive their funds directly from state appropriations or local taxes. Instead, the state would provide each pupil with a "scholarship" or voucher. The Legislature could vary the worth of the voucher to reflect such factors as physical handicap, learning disability and, for children of low-income families, the cost of "reasonable transportation."

  - All public schools–traditional as well as the new class of "New (deregulated) Public Schools" would be required to give priority in admissions to low-income applicants. Public schools must reserve at least 25 percent of each year's admissions for low-income families. If the number of low-income applicants is lower than the percentage required to be admitted, the schools must admit all such applicants. If the number is higher, the schools would be allowed to select students from the applicant pool. This feature, Coons believes, should give all public schools the incentive to recruit as many low-income applicants as possible in order to choose among them.

  - The deregulated or New Public Schools would be allowed to supplement their income by charging additional tuition on a sliding scale based on income. Such activities would be regulated, however, in that these schools would be prohibited from charging anything extra to low-income families.

  - By agreeing to submit to certain regulations, such as separation of sectarian practices and acceptance of low-income applicants, private schools would be treated in the same fashion as deregulated public schools, including the ability to receive scholarships. Scholarships could not be redeemed at private schools which choose not to subject themselves to state regulations or which did not give priority in admissions to low-income applicants.

Education tax credits are different than education vouchers in that with tax credits the education consumer spends money for education *before* it is collected and reissued by the state.

A distinction should be made between education tax credits and tuition tax credits. Educational tax credits allow credit on taxes for all educational costs, including in whole or in part, tuition, textbooks, transportation, guidance counseling and health services. Tuition tax credits tend to be more restrictive since they include only tuition rather than the entire spectrum of educational costs.

An education tax credit is a device whereby parents may take a credit against their liability to pay state or federal income taxes in an amount equal in whole or in part to the actual amount spent on tuition or other educational expenses. In Minnesota for example, private school parents may deduct a portion of their children's tuition and educational expenses from their taxable income before computing their state income taxes.

Education tax credits can be made "refundable" to those parents not paying as much tax as the credit. For example, if the parents are paying only $200 state income tax and the

allowable credit is $1,000, the state gives them a check for $800. Education tax credit proposals often differ on this aspect. For example, the current proposal by Senators Packwood and Moynihan would make a tax credit on private school tuition refundable. In contrast, President Reagan's most recent proposal (announced April 15, 1982) would not be refundable. Interestingly, Minnesota is the only state ever to have had an education tuition tax credit system in operation. Passed by the Minnesota Legislature in 1971, the measure allowed parents to substract up to $100 of each child's private educational costs from the income tax they owed the state. Minnesota's tuition tax credit system had provisions making it "refundable" to the poor. The system lasted until 1973 when it was struck down by a decision of the Minnesota Supreme Court.

Since Minnesota is the only state ever to have had a system in which tax deductions for public and private education were allowed (and continue to be allowed, despite the Court's elimination of the tax credit provision) it is interesting to consider what the impacts of this system have been. Eric Pianin, a reporter for the Washington Post examined the impacts of Minnesota's system in a story which preceded the vote on the Washington, D.C. tuition tax credit initiative. According to the article: *Minnesota Gives Tuition Credit an 'A'*, syndicated to the *Minneapolis Star* October 29, 1981:

- Aid to private schools did not accelerate the decline in public school enrollment, officials of Minnesota public and private schools agree. Instead, it helped to stabilize the enrollment in Minnesota's 540 private schools, which had declined by nearly 40 percent between the mid-1960s and mid-1970s.

- Minnesota's package of state aids and tax breaks for non-public schools has not caused a major drain on the state's treasury as some had feared. Nor has it resulted in a hefty increase in taxes. Expenditures constitute about one percent of the $1.3 billion the state spends annually on elementary and secondary education. During the 1979-80 school year, for example, Minnesota spent $16.4 million in non-public staff, including $2.2 million on the education tax deduction. That worked out to an average of about $180 for each of the 90,954 students in Minnesota's private schools.

The article noted, however, that aid to non-public schools was more costly between 1971 and 1973 when the tuition tax credit provision was legally operational. Virtually half of all eligible parents claimed the credit during 1971-74 at a total cost to the state of $28 million, according to figures by the State Department of Revenue.

A VARIETY OF STRUCTURAL, LEGAL, CONTRACTUAL, AND REGULATORY BARRIERS PREVENT MANY OF THESE ALTERNATIVES FROM BEING REPLICATED IN THE PUBLIC SCHOOL SYSTEM.

In many ways, public education continues to be organized in much the same way as in the past. Public education is characterized by a strong local tradition despite the trend in recent years toward centralized funding at the state level. Every two years, the State Legislature determines by formula how much the state will spend per pupil. Those funds, raised by tax dollars, are then allocated to public agencies (school districts) to provide the educational service to students in schools within the district. With some exceptions, students are assigned to attend the public school closest to their place of residence within their school district. (The possibility of attending school in another district is not encouraged but is possible if the parent successfully appeals to the local school board and if the board agrees to pay the student's tuition in a school in another district. Without such school board approval, however, the parents themselves must pay the cost.) Within schools, students are grouped by age into classrooms where they are assigned a teacher. Within the classes, students learn at a rate largely determined by teachers' perceptions of a "class norm." Students move vertically through the system by grade level.

As this system is structured, teachers are on the bottom rung of the "accountability ladder," so to speak. Teachers report to principals, who in turn report to superintendents, who report to the elected school board members, who finally report, in effect, by election to the voters. The school board has limited authority to raise local property taxes. Additionally, the school board determines individual school budgets, performs long range planning functions and determines district wide educational policies. Public schools are then organized from the "top down," that is, from the district level to the school level.

The public school system may be less open to innovation and the encouragement of educational alternatives than its private school counterparts because governance of the public system is concentrated at the district level.

The governance style of most public schools is far more centralized than is the case in many private or parochial schools which our committtee encountered. In the Catholic Archdiocesan schools in Minneapolis and Saint Paul, for example, the system is more a federation of schools than a definitive hierarchial structure. According to Sister Marion McCarthy, superintendent, Catholic Education Center, each Catholic school has its own board and regulates all facets of the school's operation itself.[43] Each local school board hires its own administrator and staff of teachers. There is an Archdiocesan Board of Education which occasionally recommends policies for the system as a whole. The recommenda-

tions, if approved by the Archbishop, are then sent to member schools where they are reviewed and debated. Policy is set at the local school level rather than from the district level. In her comments to our committee, Sister McCarthy noted that an increasingly larger percentage of the families attending Catholic schools are not, themselves, Catholic. One of the factors involved in non-Catholic decisions to attend Catholic schools, she said, is that "parents feel that they can have a greater say in educational policy by participating on the boards of Catholic schools. To the extent that every school has its own board, there are more opportunities for parental involvement."

In the past, there were more opportunities for direct public and/or public parental involvement in the governance of public schools than is true today. In Minnesota, for example, in the early 1900s, there were nearly 8,000 school district boards with a composition of three members each for a statewide total of nearly 24,000 school board members. As these boards were gradually consolidated over time to their present number (439), the total number of school board members declined to about 2,700 statewide.[44]

There appears to be a close relationship between the ability to develop innovative or unique programs and the degree to which an individual school controls its own budget.

Although district budgeting procedures vary from district to district within the Twin Cities, a common pattern may be observed.

In most school districts, the budget process begins with an estimate of enrollment and revenues for the coming year. This estimate is important because a district's enrollment determines the amount of money it receives from the state. But revenue projections also take into consideration some other factors besides enrollment. Assessed property valuations in a district and expectations about the general availability of federal funds are also considerations.[45]

After calculating projected revenues, most districts calculate the cost of the previous year's program and then adjust that figure for inflation and enrollment changes. From that, the central administration can usually arrive at an estimate of the cost of next year's program.[46]

The projected costs of next year's program are then compared to projected revenues. If projected costs are greater than projected revenues then school building budgets or district departmental budgets are scrutinized and cuts are recommended to the school board. If the costs are less than projected revenues then building or departmental requests for additional funding are considered.[47]

While principals' building budget requests or district departmental requests are submitted to a district's budget committee, their impact tends to be minimized by several other key considerations. The most important of these is the outcome of salary negotiations. Because salaries for all teachers within the district are negotiated at the district level and since the majority of a school district's budget goes to pay salaries, there is rarely much money left to allocate towards the particular needs of individual schools.[48] Moreover, whatever money is left is usually controlled closely by the superintendent and restricted by certain state legal requirements.[49]

Resources are allocated to schools based on previously established district standards or norms. As before, the most important of these is the staffing pattern or pupil/teacher ratio within a district. Schools have little choice about the number or mix of instructional staff they employ on the school site or the number of non-instructional personnel allocated to them, such as administrators, janitors, counselors, cafeteria employees, clerks, or maintenance workers.[50]

Many of the same kind of procedures are followed in the allocation of non-personnel resources. Accounts are established for each school for such things as textbooks, instructional supplies, transportation, health supplies, telephone service and other needs. (School shares of these resources are determined by enrollment and other factors.)[51] The schools may then draw from these accounts as they wish but are rarely able to transfer funds from one non-personnel budget category to another.[52]

Once an individual school's allocations have been determined, there is little or no flexibility in resource use at each school. Nor can there be much conversation about shifting budget priorities to meet the different sets of students' needs encountered every year.

According to Lawrence C. Pierce, a professor in the Department of Political Science at the University of Oregon, , there are several major disadvantages associated with centralized school budgeting procedures.[53]

- **Centralized budgeting may produce substantial differences in the dollars available at each school.** This can occur when the amount of funds spent at each school depends upon the salary levels of the teachers who elect to teach there. Consequently, more funds are spent at a school with a high percentage of teachers at the maximum level on the salary schedule than at a school where only a few teachers are at the maximum.

- **Centralized budgeting may restrict flexibility in assignment of personnel.** With centralized budgeting the overall mix of administrators, counselors, curriculum advisors, teachers, paraprofessionals, and office clerks may be largely similar from building to building, even though

some schools would desire a different mix.

- **Centralized budgeting may contribute to inefficiencies.** With centralized budgeting, an individual school may have the incentive to spend all of its budgetary allotment each year, rather than save certain dollars for the following year. The reason is that such a school would fear that its next year's allotment would be cut by the amount it saved.

- **Centralized budgeting may stifle citizen participation.** Individual citizens may have considerable difficulty making their concerns understood in hearings on a district-wide budget, because they are trying to relate specific interests at the local school level to a broad district-wide budget. Consequently, they may not bother to appear at budget hearings.

One factor which often produces diversity in a service or an industry—competition—is notably lacking in public schools.

Three major reasons are often cited to explain why competition in K-12 education has not developed. The first of these is the manner in which the public schools are funded. Because the state sends tax dollars to school districts directly based on pupil enrollments, it has placed itself in a kind of third party purchasing arrangement in which it actually purchases the educational service on behalf of parents. Thus, unlike other public services, such as public transit and post-secondary education, elementary and secondary education is funded almost entirely through public taxes rather than a combination of public dollars and private user fees. Since they are funded that way, schools do not have to "earn" their revenues from their users directly. Secondly, even if school users were to pay for the service directly—either through a public voucher or, hypothetically, from their own pockets, school district boundaries and intra-district attendance areas prevent parental choice and therefore, competition. Finally, full public funding of the educational service is only available to those consumers electing to use government schools. This creates a significant disincentive to attend private or nonpublic schools and retards competition between public and private systems.

Because there is no real need under the present arrangement for schools and districts to compete to attract pupils, there may be little incentive for schools to differentiate themselves in order to appeal to the different learning styles and needs of individual pupils.

Another reason given for a lack of diversity is that the public schools face more regulatory, legal, and contractual barriers to the introduction of alternatives than do private or non-public schools.

While it was impossible during the course of this study to chronicle exhaustively the full array of such barriers, the following examples were presented to us:

- **State Department of Education standards for granting credits (i.e., standards which require that credits be earned via seat time in a predetermined location).** Critics say this rule inhibits schools from becoming "managers" of a child's education. It also provides a barrier which prevents schools from contracting with other community vendors or agencies for services. (For example, the Minnesota Zoo for science or a hospital for health service or the YMCA for physical education.)

- **School board precedents and practices which mandate a given pupil/teacher ratio.** This practice has several effects. First, it may inhibit the rapid introduction of new technology into the schools. (The more that districts spend on teachers salaries the less there is for "extra" purchases, such as computers. In fact, attitudes which view computers as "extras" prevent computer literacy from becoming an integral part of a basic education.) Secondly, this practice may prevent the widespread use of part-time paid volunteers or paraprofessionals.

- **State board of teaching certification requirements.** There is controversy over the extent to which teacher certification has contributed to quality instruction. Such requirements apparently limit schools from utilizing the knowledge and expertise of those with a great deal of knowledge or experience in a field but who lack teaching certification. In its testimony phase, our committee heard of an instance in which a principal had a teacher in his school who was fluent in both French and Spanish. The teacher had majored in French, but had just as many course credits in Spanish. Because of the licensing requirements, however, the teacher could only teach French unless the school applied (yearly) for a special waiver.[5 4]

- **Collective bargaining agreements.** Virtually all teacher-school board contracts prescribe that teachers' compensation shall relate exclusively to the number of years worked in the system and the number of college and post-graduate credits earned by each teacher.

  School board precedents and practices which establish a single "master contract" for all teachers in a district rather than with teachers individually are barriers to differentiated remuneration to educators based on performance.

- **State laws regarding seniority.** These "last hired, first fired provisions" may be discriminatory in preventing the hiring and retention of minority teachers. Nor are such rules based on merit or professional accomplishment. Particularly now, in a time of tight public resourc-

es, critics say that seniority provisions may prevent schools from retaining the appropriate mix of teachers needed to meet the particular needs of students. In extreme cases, such provisions could even insure that instructors with little formal knowledge of a subject could be forced to teach it.

TRENDS INDICATE THAT PRESSURES ARE BUILDING WHICH COULD ENHANCE THE SEARCH FOR EDUCATIONAL ALTERNATIVES AND CREATE A CLIMATE FOR EDUCATIONAL CHANGE IN THE 1980s.

> "Education will in all likelihood be transformed within the next decade by giant forces from without...it will be changed, first, because it is headed straight into a major economic crisis. It is not that we cannot afford the high cost of education; we cannot afford its low productivity."[55] – Peter Drucker.

One pressure for change is the growing concern that the United States educational system is not adequately anticipating the future needs of the economy.

Employers are growing increasingly dissatisfied with the quality of the product being delivered by the nation's public schools. A recent article in *Industry Week* claims that "throughout the business world employers find it necessary to train some new employees, not only in specialized skills but also in the basics."[56] Such statements are given further foundation by estimates from the American Society for Training and Development. According to the ASTD, "the national cost for all employer-run or employer-initiated education and training amounts to $40 billion a year. And the evidence suggests that a growing slice of that total is being earmarked for remedial programs."[57] Nor does the future look much brighter. Employers fear even greater outlays of financial resources for remedial education due to the perceived poorer quality of recent graduates and the growing possibility that there will be a labor shortage in the 1980s.

Another growing worry is that because of inattention to the changing international economy, American business could be placed at a major disadvantage in relation to foreign competitors. That disadvantage could be attributed to the fact that many U.S. students lack certain kinds of knowledge which are now in high demand in the world's economy. Often cited are foreign language preparation and advanced training in math and science. A closer examination of each of these areas shows the reasons behind the mounting concern:

Foreign language training. According to Representative Paul Simon (D-IL) author of a book titled, *The Tongue Tied American*, the changes that a lawyer, a banker, an engineer, or chemist will be sent at some time in his career to a Common Market country, to the Middle East, to Africa or South America are 100 times greater than they were 25 years ago.[58] Despite the trend towards a more interdependent world economy, however, many U.S. companies doing business abroad can't find enough qualified personnel. As a result, some experts contend that Americans are losing out on business opportunities and jobs.

The reason? Figures from the President's Commission on Foreign Language and International Studies indicate that nine out of ten Americans cannot speak, read, or effectively understand any language but English. Today, only 15 percent of American high school graduates have taken a second language, and only five percent did so for more than two years.[59] Only one high school student in 20 studies French, German or Russian beyond the second year. In 1979, only 3,500 students were studying third-year Russian. Fewer than 200 were enrolled in third-year Chinese or fourth-year Japanese.[60] Only eight percent of the nation's colleges require a foreign language for admission, down sharply from 34 percent just 15 years ago.[61]

Other industrial nations have efficient and competent language study programs. As a result, the argument goes, they adapt much more rapidly to international business relations than does the United States.

For example, France, Switzerland, the Netherlands, Germany and Sweden all require the study of at least one foreign language for a minimum of five years for the equivalent of a high school diploma.[62] While only two percent of all native born Americans are fluent in a foreign language, 20 percent of all Japanese are.[63]

Science and mathematics preparation. During the last 20 years scientific and technological breakthroughs have come with increasing rapidity. In these two decades alone we have witnessed the development of the space age, the computer age, major advances in molecular biology and biotechnology, leaps in communication technologies, electronics, subatomic physics, huge gains in energy and environmental science. These gains have transformed significant portions of modern society and the workplace.

Yet in this period, according to Michael Kirst of Stanford University, "the United States educated a tiny elite of the world's best scientists and engineers and left everyone else scientifically illiterate."[64] Scientific and technical learning did not just fail to keep up, it declined. Just the opposite was happening abroad.

In the Soviet Union, for example, massive educational reforms were enacted in the 1960s. Essentially, the USSR abandoned the European model of preparing only the most

able of her students in favor of the more American model of attempting to provide a solid academic training for all.[66] Today the Soviets' compulsory curriculum for those finishing high school consists of five years of biology, four of chemistry, five of physics, one of astronomy, five of geography, three of mechnical drawing and ten years of workshop training.[66] In contrast, in the United States only nine percent of high school graduates have had one year of physics, 16 percent have had one year of chemistry, 45 percent have had a year of biology and 17 percent have had one year of general science, according to studies by the National Science Foundation.[67]

The same National Science Foundation studies found that such differences are equally apparent in mathematics. In the Soviet Union 10 years' curriculum in math, two years of calculus and two of solid geometry are required.[68] In America, only seven percent of students take even a single year of calculus and virtually none advance beyond a single year of plain geometry.[69] Only one-third of U.S. school districts require more than one course in science or math for graduation.[70]

The differences are equally dramatic when the U.S. educational system is compared to Japan's. Michael W. Kirst of Stanford University has detailed the differences in academic preparation between the two countries.

According to Kirst, Japan graduates 92 percent of all its children from 12 grades of school while the U.S. graduates between 80 to 85 percent.[71] (The comparable Minnesota figure was 85.6 percent in 1979.)[72] Approximately 39 percent of Japanese students advance to college as opposed to 44 percent in this country, but their preparation is significantly different.[73] All Japanese high school students must complete at least two years of math, two of science, and three of social studies.[74] (Minnesota's local school districts have varied requirements but typically require only one year of math, one of science, and two of social studies.)

The Japanese social studies curriculum is especially rich and includes such topics as ethics, civics, history, political science and economics. Heavy emphasis is placed on science and math. In math the average Japanese student "attains a level of sophistication beyond trigonometry."[75] In the United States, only 10 percent of all high school students even take trigonometry. And as for science, a 1980 Presidential Commission Report commented that only one-sixth of U.S. students take science beyond the tenth grade.[76]

A recent report prepared by the National Science Foundation and the U.S. Department of Education has amplified comments about America's scientific preparedness. At a time, the report notes, when the world faces an enormous need for engineers, the United States lags behind Japan, West Germany, and the Soviet Union in the number of engineering graduates per capita.[77] (The report notes that in Japan, a country only half as large as the U.S. in population, the total number of degrees granted to engineers annually has surpassed that of the entire U.S. In Japan, 20 percent of all baccalaureate and about 40 percent of all masters degrees are granted to engineers. This compares with about five percent for each of these degree levels in this country. Moreover, many of the U.S. graduates are foreign nationals.)[78]

In order to protect their scientific investments, many of the Western nations, Japan and the Soviet Union place much emphasis on upgrading the skills and knowledge of the teachers involved in these subjects. In the United States, a serious shortage of mathematics and physical science teachers has developed.[79] Not only has the reduced prestige of mathematics and science in the schools made it difficult to find competent teachers, but industrial demand for technical personnel often results in many teachers leaving the profession for positions in the private sector. When such positions are filled, it is often by individuals with only marginal capabilities in these fields, leading to a loss in the quality of instruction.[80] For example, chronic shortages of mathematics teachers are as high as 25 percent in some national school districts.[81] There are only 10,000 physics teachers in the nation's 16,000 school districts. According to the *Chronicle of Higher Education*, "...the National Science Foundation found increasing numbers of elementary school teachers—over 16 percent in recent years—who admitted they were unprepared to provide their students with even the most rudimentary training in science and mathematics."[82]

Science and mathematics education is of particular concern in Minnesota where high technology industry, represented by over 2,000 companies, dominates the state's economy.[83] According to the Minnesota Department of Economic Development, 40 percent of the gross state product is directly related to technology, and a major portion of the remainder makes heavy use of it.[84] Unlike companies located in sunbelt states, Minnesota industry relies primarily on local sources for employees; thus its future is tied to the quality of science and mathematics education in Minnesota schools. Yet the American Society for Engineering Education reports that Minnesota is 41st among the 50 states in the per-capita production of engineers.[85] Nor is the state producing large numbers of newly trained math and science teachers each year. *The Minneapolis Star* (May 6, 1981) reported a startling drop in the number of certified math and science teachers. Between 1972 and 1980, the number of new Minnesota mathematics teachers declined 84 percent (344 to 65). The number of new physical science teachers declined 82 percent (27 to 5) and new physics teachers declined a full 100 percent (33 to 0).[86]

Some new efforts are beginning to address this problem. Of

potential significance is the recent formation of the Minnesota K-12 Science and Mathematics Consortium. This effort, spearheaded by Roger Staehle, Dean of the University of Minnesota's Institute of Technology, is designed to assess the current state of Minnesota's K-12 science/mathematics education with respect to present and future needs. The goal will not be to duplicate what is already done in public schools but to facilitate and add to those efforts by coordinating private corporate support and resources in training K-12 personnel in new technology and techniques.[87]

Public dissatisfaction is also a factor encouraging educational change.

There are many different indicators of dissatisfaction with the nation's public schools. Public opinion polls are one measure. Since about 1974, ratings given by the public to the public schools in the Gallup Poll have declined. In 1981 that decline halted. But as the Gallup organization noted, "evidence of an upturn in the ratings is still lacking."[88] (See Tables 3 & 4.)

Despite such ratings, it should not be overlooked that Gallup respondents have a higher regard for their own local schools than for public schools nationally. In the 1981 Gallup Poll, 36 percent of the public gave their local schools marks of A or B while only 20 percent gave the nation's public schools that high a rating.

Since about 1973, the Roper polling organization has found that the public, when asked whether U.S. is spending too much, too little, or about the right amount on the public schools, indicated that too little is being spent in this area. (In 1980, 10 percent thought that the U.S. was spending too much, 55 percent said too little, and 35 percent thought that educational expenditures were about right.)[89]

Despite the fact that many Americans apparently feel that too little is being spent on public schools, they are unwilling to spend more. When asked whether they would vote to raise taxes if local public schools said they needed more money, 60 percent said they would vote against such tax increases while 30 percent would vote in favor according to a 1931 Gallup Poll. The latest results on this question continue a downward trend that began in the late 1960s. (In 1969, 45 percent of all respondents voted to raises taxes with 49 percent voting against.) Again, parents of children attending public schools were more likely to favor raising taxes than adults with no children in school (36 to 27 percent). However, nearly as many public school parents opposed raising taxes for this purpose as those with no children in the public schools (58 to 60 percent).[90]

Some of these same trends also were evident in Minnesota throughout the 1970s. Minnesotans' opinions of the public schools performance declined. Those who said that the public schools' performance was good or excellent dropped from 63 percent in 1974 to 36 percent in 1979 according to the Minneapolis Tribune's Minnesota Poll.[91] (See Table 5.)

Growing concern about the productivity of our educational system and student achievement constitutes still another major force for change.

Assessing what is or is not a "quality" educational experience is extremely difficult. Judging student achievement over time on the basis of test scores is even more so. The significant growth of the student population during most of the 1960s and 1970s meant that many more students (including more with lower aptitudes for learning) were taking varying kinds of standardized tests. Researchers have found that when more students take the tests, the average score declines. Some people argue then that the well documented test score decline is purely a function of demograhics. Others, however, note that while larger numbers of students taking the test can explain lower average scores, it cannot explain the large rise in students scoring substantially below that average or the substantial decrease in the number of students at the upper end of the spectrum. Those facts, some say, are evidence that the decline in student achievement is real.

Listed on the next few pages are various kinds of indicators of educational attainment. National and Minnesota based data have been used. The reader is invited to wrestle with these data in much the same way as our committee did.

Nationally, here are some of the trends:

- **Scholastic Aptitude Test scores have declined for the last 18 years.** The test, with its potential range of scores extending from a low of 200 to a high of 800, was first introduced in 1941 with the average score expected to be 500. Since 1963, however, the average math score has declined from 502 to about 465. The average verbal score has declined from 479 to about 425 over the same period. Within the period of the past ten years, the number of students with top scores (over 650) in the verbal and math sections of the test has declined substantially. In 1972, 53,794 students scored 650 or above on the verbal portion of the test. By 1980, only 29,019 students scored at that level or above. In 1972, 93,868 students scored 650 or better on the mathematics portion of the test. That number declined to 73,386 by 1980.[92]

- **Students' reasoning skills have fallen substantially, particularly at the higher grade levels.** A major study by the National Assessment of Educational Progress found that

13 and 17 year old students' inferential reasoning ability declined on the reading tests in the 1970s.[93] The report, released in 1981, compared results with those obtained in 1970-71, 1974-75, and 1979-80. Aggregate scores on the exam are composed of the scores on three subtests–literal comprehension, reference skills and inferential comprehension. The abilities of the nation's 13 and 17 year old populations were found to have declined in the inferential category, the skill most needed to draw conclusions, form judgments and read for deeper meaning. "The disturbing part of these assessment results," commented Edward Fry, Director of the Reading Center at Rutgers University and a member of a panel of experts asked to review the study's results, "is that high school students, particularly the best students, are not only failing to keep up with their counterparts of 10 years ago, but they seem to be reading worse."[94]

- **Student achievement appears to have declined at lower grade levels as well.** A nationwide sample of children at the fourth and eighth grades completed the Iowa Test of Basic Skills in 1970 and 1977. At the tenth percentile, scores increased. At the 15th percentile, scores were up slightly at the fourth grade and down slightly at the eighth. But in that short seven year period, those at the upper achievement levels had slipped as much as one full grade equivalent in such subjects as reading comprehension, vocabulary, and math application.[95]

- **There has been a growing amount of remedial work done at the college level in order to make up for declining standards and poor course selection in high school.** Take math, for example:

  A national survey of undergraduate course enrollments in the mathematical science departments of universities, four-year colleges and two-year colleges in the U.S. was performed by the Conference Board of the Mathematical Sciences (CBMS). The survey found that enrollments in remedial (high school level) courses were up 72 percent and now constitute 16 percent of all mathematical science enrollments. For public four-year colleges the figure is 25 percent and is even higher in two-year institutions. Remedial courses now account for 42 percent of all two-year college mathematics enrollments.[96]

  The study concluded, "The large increases in remedial mathematics confirms evidence from various other sources that a disappointingly large proportion of students in the United States have come to college quite poorly prepared in mathematics."[97]

- **Many students are not challenged by their course work.** A recent Gallup Poll found that 53 percent of U.S. teenagers contend that they are not being asked to work hard enough in school.[98]

- **Grade inflation increased substantially.** The number of As and Bs awarded to U.S. high school students increased dramatically from 1969 to 1977 according to a book entitled, *The American Freshman: National Norms* by the American Council on Education. During this period, the percentage of As and Bs increased from about 67 percent to almost 85 percent. At the same time, the number of Cs decreased from about 33 percent to about 19 percent.[99]

Many of these national trends are apparent in Minnesota as well:

- **Minnesota scores on the Preliminary Scholastic Aptitude Tests (PSAT) and the American College Tests (ACT), while remaining above the national average have declined at a faster rate than the national average.** The PSAT is taken every year by the state's 11th grade students. Between 1974-75 and 1978-79, the state average score on the PSAT verbal section declined from 42.7 to 40.9 while the national average dropped from 41.6 to 40.6. Though still above the national average, the decline in the Minnesota score for this period was greater than that experienced nationally. This same phenomenon was experienced on the math portion of the PSAT where the state average score dropped from 48.4 to 46.9 while the national average dropped from 45.9 to 44.8. As before, the Minnesota average score declined at a faster pace than was true of the national average.[100]

  The ACT is taken by the majority of Minnesota high school students who are planning to attend college. From 1971-72 to 1978-79, Minnesota students' average score on the ACT declined from 21.4 to 20.5 while the national average declined from 19.1 to 18.6. Once again, the state decline occurred at a faster rate than was true nationally.[101]

- **Like their national counterparts, Minnesota students appear stronger in their basic understanding of subject matter than on applying this understanding.** The Minnesota Statewide Assessment Program (MSEA) each year conducts standardized tests in basic areas of the school curriculum such as reading, math, and science. Summarizing test trends from the various subject areas over the life of the MSEA program, Bill McMillian, its director, made the following observation in the September 1981 edition of the Minnesota School Boards Journal:

  > "Minnesota students seem to perform much better on 'basic' aspects of subject areas than in applications of higher order processes.

These data strongly suggest than an overemphasis on back to the basics for all students would probably be ill-advised."[102]

- **With the exception of the state's elementary population, Minnesota's students appear to perform as well as, but not significantly better than, similar national and central U.S. students in many areas of basic skills.** Approximately one-third of each test administered to Minnesota students by the MSEA is composed of questions from the National Assessment of Educational Progress. Those questions are also posed to similar students nationally and in the central U.S. region. For that reason some comparisons may be drawn. In Appendix 3 the latest educational assessment results are presented for the subject areas of reading, science, mathematics, and social studies. In each instance, Minnesota-National comparative scores are presented along with significant summary commentary from the reports themselves.

  A brief summary of statewide results for fourth, eighth, and eleventh graders in comparison with their national and central U.S. counterparts across four basic subject areas (reading, science, mathematics, and social studies) indicates the following: Minnesota fourth graders tend to outperform their national and central U.S. counterparts in reading, science, and math while scoring equal to or below those groups in social studies. Minnesota's eighth graders outperform their national and central U.S. counterparts in reading, score below both groups in science, score better than their national peers but equal to their central U.S. peers in math and about equal to their national and central U.S. counterparts in social studies. Minnesota's 11th graders tend to be equal to their national and central U.S. students in reading, exhibit no difference from either group in science and social studies, and score better than national students but about the same as central U.S. students in math.[103]

TABLE 3

Students are often given the grades A, B, C, D, and FAIL to denote the quality of their work. Suppose the *public* schools themselves, in this community, were graded in the same way. What grade would you give the public schools here—A,B,C,D, or FAIL?

Ratings Given	National Trends							
The Public Schools	1981 %	1980 %	1979 %	1978 %	1977 %	1976 %	1975 %	1974 %
A rating	9	10	8	9	11	13	13	18
B rating	27	25	26	27	26	29	30	30
C rating	34	29	30	30	28	28	28	21
D rating	13	12	11	11	11	10	9	6
FAIL	7	6	7	8	5	6	7	5
Don't know	10	18	18	15	19	14	13	20

Source: Gallup Poll

TABLE 4

Financial Support of Public Schools

National Results	Favor Raising Taxes %	Opposed to Raising Taxes %	Don't Know %
1981 Survey	30	60	10
1972 Survey	36	56	8
1971 Survey	40	52	8
1970 Survey	37	56	7
1969 Survey	45	49	6

1981 Survey	Favor %	Oppose %	Don't Know %
Parents of children attending public schools	36	58	6
Parents of children attending nonpublic schools	35	57	8
Adults with no children in school	27	60	13

Source: Gallop Poll

- **A substantial amount of remedial mathematics education is occurring in Minnesota at the college level.** Willard Miller, Jr., the head of the University of Minnesota's School of Mathematics, has documented that over the period 1973-82 the number of students taking remedial mathematics during the fall quarter has remained consistently high. Fall quarter remedial mathematics enrollment has been as high as 33.39 percent as recently as 1978-79. (Professor Miller explains the apparent drop in 1981-82 remedial enrollment, 30.8 percent, as the result of "a hugh influx of engineering and computer science students who are enrolling in calculus, advanced calculus, linear algebra, differential equations and other service courses of the School of Mathematics.")[104]

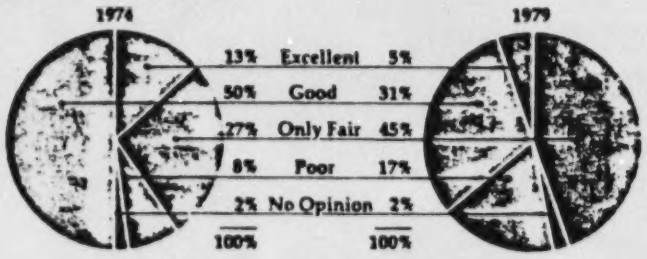
  Enrollment in remedial math courses at Inver Hills Community College, a two-year college, has been even higher. (This is partially accounted for, however, by the fact that this particular institution runs one of the more extensive remedial programs in the area.) Inver Hills enrollment in remedial math courses as a percentage of the institution's total math enrollments has risen from 32 percent in 1976-77 to 56 percent in the fall quarter of 1982. Of even greater significance, however, is the fact that only seven percent of the institution's incoming students attending orientation were eligible for a college level math course in the fall of 1981. (The comparable 1980 figure was nine percent.)[105]

- **Grade inflation is present in Minnesota schools just as it is nationally.** While As and Bs accounted for 52 percent

TABLE 5

PUBLIC PERCEPTION OF PUBLIC SCHOOLS

Question: What kind of job do you think public grade and high schools do generally in preparing children for their future—an excellent job, good, only fair or a poor job?



SOURCE: Minneapolis Tribune's Minnesota Poll

of all English grades received by Minnesota high school juniors in 1971, by 1979 they accounted for 62 percent. Where As and Bs had accounted for 43 percent of math grades in 1971, by 1979 they accounted for 57 percent. In the natural sciences, As and Bs comprised 46 percent of Minnesota juniors self-reported grades in 1971 and 60 percent in 1979. The number of self-reported As and Bs in social studies increased at a slower clip than other subject areas during this time period going from 56 percent of all grades reported to approximately 60 percent.[106]

Beyond student achievement, there are disturbing trends regarding the attraction and retention of quality teachers.

While every occupation has its bittersweet moments, there is mounting evidence that talk of teacher "burn-out" is more than just talk. In Minnesota in 1978-79, 978 teachers voluntarily quit. That is the largest number since records have been kept. Teacher absenteeism is growing nationally. Locally, Minneapolis and Saint Paul Public Schools spend anywhere from half to a full one million dollars on substitutes annually. According to a National Education Association survey, 32 percent of current teachers wish they had chosen another profession. In 1966 the figure was nine percent. Richard Needle, an associate professor of public health at the University of Minnesota, surveyed 2,100 teachers in the state and found that 25 percent of Minnesota teachers would have second thoughts about taking the same position, another 13 percent would have chosen another position.

Studies, such as those by John Goodlad, indicate that teachers' job satisfaction tends to decrease as the grade level in which they teach increases. Such data tend to be corroborated by at least one local poll in the Hopkins area, which indicated that 75 percent of secondary school teachers felt that teacher morale was a problem. That percentage was significantly higher than the percentage of elementary school teachers felt that way (60 percent).

Gallup polls show that fewer people want their children to become teachers. Students appear to be cooperating. The number of education degrees granted at the bachelor's level have declined significantly nationally as well as in Minnesota. (Between 1972 and 1980, the number of new teachers coming out of the state's colleges dropped 64 percent, from 7,809 to 2,846.)

At the same time, the quality of newly-graduating teachers has been questioned by numerous researchers. According to the college board, SAT scores of prospective teachers dropped twice as fast as the national average, and now rank second to last (ethnic studies) in SAT scores among types of college major subjects.

Studies by W. Timothy Weaver of Boston University indicate diminution in the quality of entrants to teacher preparation programs. Dr. Weaver's findings include the following:

- High school seniors who plan to major in education scored below the average for all U.S. college-bound seniors in 1976 (34 points below average in verbal SAT scores; 43 points below average in math.)

- Education majors in 1975-76 tied for 17th place in math and 14th place in english of the 19 fields of study in which entering freshmen enrolled, as reported by the ACT program.

- Among 1976 graduating college seniors in the National Longitudinal Study, education majors ranked 14th out of 16 fields on SAT verbal scores. Only office/clerical and vocational/technical graduates ranked lower.

Here in Minnesota, 5,046 high school seniors taking the SAT in 1980-81 were asked to indicate their intended areas of collegiate study. Of the 28 vocational areas listed, those students intending to go into education had lower SAT mean verbal scores than all other occupations except agriculture, forestry/conservation and trade/vocation. In the math portion of the SAT, students intending to go into education had lower scores than all other fields except home economics and trade/ vocational.

Public sector resource constraints are another important factor encouraging educational change.

During the 1969-79 decade, total elementary-secondary education expenses nationally increased 17.1 percent in constant dollar terms. During the same time, average expenditures per pupil increased in constant dollar terms 25.3 percent.[107] This reflects the fact that as total enrollment declined expenses didn't decline proportionately. Nor did the number of certificated personnel decline proportionately with enrollment, which meant that the pupil/teacher ratio dropped. These same trends occurred in Minnesota. Total ele-

mentary-secondary expenses increased 4.3 percent from 1969-79, with per pupil expenditures increasing 13.8 percent.[108] As enrollment has declined in Minnesota, the number of certificated personnel has remained approximately constant, which means that here, too, the pupil/teacher ratio has dropped.[109]

Resources promise to be much more scarce in the 1980s. Fewer federal dollars will be flowing to the state under President Reagan's New Federalism proposals. For example, the administration's budget for fiscal 1981 suggested cutting federal funding for elementary and secondary schools by $3.4 billion from $10.8 billion to $7.4 billion. That would have amounted to a full 32 percent reduction, proportionately larger than that proposed for any other cabinet level department in the federal government, according to Thomas A. Shannon, executive director of the National School Boards Association.[110]

Educational resource projections do not appear particularly bright in Minnesota either. In fact, public education began to lose ground in several important respects during the 1970s.

- Total educational spending in Minnesota as a percentage of total state appropriations declined from 54 percent of state appropriations in 1971-73 to 41 percent of state appropriations during the 1979-81 biennium.[111]

- Over the course of the decade, within the appropriations for all publicly supported education, proportionately fewer dollars went to elementary and secondary education while proportionately more dollars went to higher education and other types of education (i.e., post-secondary vocational, community, and adult education, as well as non-public schools). Elementary and secondary education accounted for almost 78 percent of all education appropriations in 1971-73, but represented 72 percent in 1979-81. On the other hand, state appropriations for higher education increased from 20 percent to 22 percent of all education appropriations during that same period.[112]

- Minnesota's total educational spending is increasingly bringing the state closer to the national average. In 1967, according to the National Education Association's "Rankings of the States," Minnesota's total educational spending per capita was 125 percent of the national average. According to the 1981 edition of the report, Minnesota is now at 109 percent of the national average.[113]

- Total educational spending as a percentage of state personal income also has declined, moving from 10.2 percent of the average Minnesotan's personal income in 1972 to 8.9 percent in 1977 and 7.4 percent in 1980.[114]

Numerous factors would seem to militate against a brighter future via public funds for the state's public schools in the 1980s.

The Minnesota State Legislature raised the basic per pupil aid formula in 1981 by the lowest percentage in a decade. Legislators raised the basic aid formula from the 1980-81 level of $1,265 per pupil unit to $1,318 in 1981-82 school year and $1,475 in 1982-83. These represent the lowest biennial percentage increases since the current school finance system was adopted in 1971.)[115]

Minnesota taxpayers appear to favor reducing services to raising taxes. The Minneapolis Tribune's Minnesota Poll (March, 1981) found that 53 percent of its respondents preferred to close the budget gap by cutting services while only 12 percent chose a tax increase.[116]

Elementary and secondary education's political base is declining at a time when competition for public resources is increasing.

Competition for public resources will increase in the 1980s. This may affect the funding of public schools.

- The proportion of citizens who do not have children in school will continue to grow. According to a May 15, 1981 statement by Madeleine B. Hemmings of the U.S. Chamber of Commerce, "With only 19 percent of the adult population having children in public schools by the end of the 1980s, education could face a difficult fight for an adequate proportion of local and state budgets."[117]

- The number of persons over the age of 65 will continue to increase. They will place greater demands on the medical assistance and income support systems now in place. According to the latest U.S. Census Bureau figures the number of Minnesotans over 65 increased 17 percent during the last decade.[118]

- Total enrollment in the K-12 system is projected to continue to decline until the mid-to-late 1980s. (During the 1970s, the state's school-aged population decreased 17 percent.)[119]

- Constituencies for improved housing, road and bridge construction, and various welfare programs will compete with schools for public funds.

The public school system is experiencing growing competitive pressures from private and non-public schools. Such

competition is still another factor promoting educational change.

More parents, for a variety of reasons are choosing to take their students out of public schools and enter them in private or non-public schools. According to the Minnesota Department of Education, "although non-public school enrollments have declined, the rate of decline since 1974-75 has been lower than the rate of decline in public school enrollments." Table 6 shows the state totals of both public and non-public school enrollments as percentages of their 1974-75 levels. In 1979-80, non-public school enrollment was 98.8 percent of its 1974-75 level. As a result, the percentage of Minnesota students attending non-public schools has risen slightly in the last five years.[120]

This trend must be viewed with the perspective of time, however, because the relative proportion of students attending public and private schools in Minnesota has been fairly stable for some time. In the late 1950s and early 1960s, Minnesota's private school enrollment was about 18 percent, somewhat higher than the national average of 14 percent at that time. During the next 20 years, however, Minnesota private school enrollment fell precipitously, to less than 10 percent in the early 1970s. (The national average fell to about 10 percent during this period.)[121]

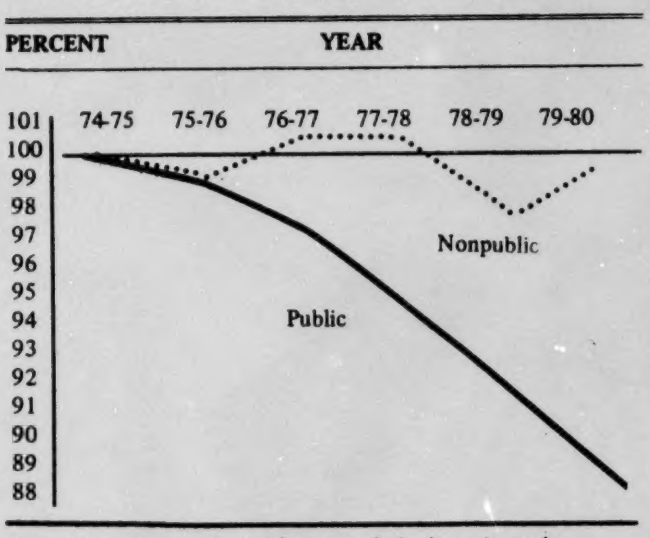
Public-private school observers differ in their perceptions of the future. Some predict that with the rash of school closings and the growing uncertainty over public educational spending, more parents will avoid the instability of the public system and enroll their children in private or non-public schools. Others predict that long-standing loyalties to the public system will be maintained. While personal opinions differ, the National Center for Educational Statistics (NCES) projects that public school enrollments will continue to decline by several percentage points a year. In contrast, however, between 1979 and 1980 NCES revised its projections of private school enrollments from no growth to an estimate of a 12 percent increase by 1985.

Several trends contributed to the new projection. The first is reduced family size: fewer children mean more disposable income. The second has been the delayed onset of first childbearing. Most middle-class adults earn more as their careers develop. And of even greater importance, in over 50 percent of two-parent families, both husband and wife now work. Two incomes make many things possible that are only a dream on one. Increased financial capacity to attend private school, then is a major change of the 1970s that may characterize the 1980s as well.

Here in the Twin Cities, the Catholic Archdiocesan schools have recently had enrollment figures that exceeded their projections. Other private schools are expanding their buildings to accommodate new demand. And finally, the number of Minnesota non-public schools increased from 436 in 1975 to 533 in 1980. According to the Minnesota Department of Education, the greatest number of these schools came in the Twin Cities metropolitan area.[122]

TABLE 6

PUBLIC AND NONPUBLIC* ENROLLMENTS AS A PERCENTAGE OF THEIR 1974-75 TOTALS



*The nonpublic enrollment figures include the estimated enrollments of schools not reporting

SOURCE: Information on Minnesota's Nonpublic Schools for 1979-80. Minnesota Department of Education, Education Statistics Section.

CONCLUSIONS

WHILE PUBLIC EDUCATION CAN BE PROUD OF ITS MANY ACCOMPLISHMENTS, THERE IS GROWING RECOGNITION OF A GAP BETWEEN THE ACHIEVEMENT OF STUDENTS AND THE NEEDS OF A COMPLEX, CHANGING SOCIETY.

Few countries have ever attempted to undertake, on so universal a scale, the education of its population. Fewer still have asked their educational system to provide redress for so vast an array of societal ills. To its credit, this nation's public education system has been willing to take on these tasks.

Here in Minnesota, our public schools have had to deal with faster enrollment increases, and later, decreases than other states. Building a system to accommodate that demand was a trying but exhilarating task. Making decisions about reducing the number of institutions in that system is difficult and divisive. Admirably, this state has taken major steps to attempt to eliminate financial inequities between school districts. Admirably, too, numerical desegregation has been achieved here in a far more peaceful fashion than has been true elsewhere.

Despite these significant achievements, however, there is a growing realization that our public school system is not performing well enough. With the exception of some excellent schools, programs, and teachers, the education system serving this metropolitan area and the state as a whole is neither meeting present expectations nor the demands of the future.

Even if there were not serious concerns about the adequacy of educational attainment, and even if a majority registered its satisfaction with the performance of the present system, the judgment of this committee is that we must plan to do better. The challenges ahead of us pose unprecedented requirements for educational performance.

To meet the challenges of Minnesota's future will require the best educational system possible. This is a state that literally lives by its wits. Many of our major corporations are home-grown spin-offs from other enterprises. They started because people had ideas and capitalized on them. Increasingly, we are a major center for corporate headquarters, meaning that the nature of more and more of the work available here is "think-work," requiring strong doses of analysis and imagination. The growth of consulting services is an example. Minnesota is also pinning more and more of its economic fortune on the development and deployment of new technology—requiring high order engineering skills, mathematical abilities, and verbal skills.

To produce workers with strong analytical and integrative abilities requires a superior educational system. Yet it is in the reproduction and encouragement of these basic faculties that the present system appears to be falling short.

MINNESOTA MUST RENEW ITS COMMITMENT TO EDUCATIONAL EXCELLENCE IF IT IS TO PRESERVE THE QUALITY OF ITS FUTURE.

How well we cope with coming adversity and how successfully we seize future opportunities will be determined substantially by the quality and relevance of the preparation our citizens get, especially those citizens who are now children moving through our system of education. Production in an increasingly complex economy, succeeding with social and community development, having opportunities to grow culturally, carrying out civic responsibilities—all these and more depend on a system of education that really works for the people who use it. And the consumers of education, we would agree, are not just those attending, or even they and their parents. All of the community has a stake in the educational enterprise. Besides being our largest public expense, it is our most ambitious investment. Too much of recent attention has concentrated on how much we can safely cut back on spending; urgent necessity has forced this emphasis. The Legislature needs, now, to focus on what strategies will give us the results which reflect our expectations, however they may be shaped. We must ask what that investment will cost, and what are reasonable ways to pay for it.

SUCCESSFUL RENEWAL OF THIS COMMITMENT DEPENDS UPON A WILLINGNESS TO MAKE BASIC STRUCTURAL CHANGES IN THE EDUCATIONAL SYSTEM.

We are not persuaded that an adequate response to the emerging challenge is likely without basic structural changes. By structural change we mean changes in the way the educational service is governed, organized, and delivered. Such

changes could mean altering who makes key decisions within the system–about where students may attend school, for example, or about what is taught and how it is taught.

In arriving at this conviction the committee respects the preference on the part of some for strategies which call for improvement without basic structural change. Some persons argue that the problem is mostly one of money, that if we are willing to spend more we may expect more in return. Others speak of political accountability, demanding more from the system, laying out clear expectations, and calling for specific performance. Still others would rely more on competency tests to confirm progress, or require more time on tasks, or concentrate on raising requirements for the challenge level of textbooks. None of these measures, however, are new, and the record is one of persistent pressure in these directions. We have tried these and other measures, but all of them seem lacking in at least one important dimension–a real incentive to change. A system not changed in more fundamental ways is likely to become progessively weaker in performance and lower in public confidence.

Why is structural change necessary? Essentially, there are three reasons:

- **The first reason is financial in nature and has to do with the fact that the public sector, at least in Minnesota, is facing revenue shortages which are severe and likely to persist.** With dissatisfaction with Minnesota's educational system mounting, alternatives are called for. The two alternatives most often raised are cutting services or raising taxes. However, neither of these alternatives, by themselves, appears to carry much promise of improving the way in which public education is delivered or offering much hope of a better "product" at the end.

  Thoughtful people, including representatives of both major political parties, are already beginning to think about a third alternative: one that attempts to get more value for each public service dollar spent and raises the level of satisfaction with services. Representative John Brandl, in his widely reported paper, *Toward a Fiscal Agenda for Minnesota* (January 1982) has urged that Minnesota "protect our commitment to the needy by *restructuring* public service programs so as to foster effectiveness."

  What are the consequences to education if such restructuring does not occur? Public educational expenditures in Minnesota continue to be this state's single largest area of public expenditures. However, in an age of scarce public resources and diverse needs, education will increasingly find itself in a vulnerable position. As the chief lobbyist for a large educational organization told our committee, "education is simply too big not to be a target in an era of continued budget-cutting." We do not believe that education should be treated as simply another public or human service program. But it is increasingly perceived as just that. The more this perception prevails, the more susceptible education will be to further budget cuts. For education to continue to be sustained at such high levels of public support it must as never before demonstrate to the public that it is "worth it." Otherwise, it might find itself being cut right along with other programs. For education the choice now is literally "innovation or deprivation."

- **The second reason is that the major problems in the state's K-12 educational system are structural in nature.** Our committee found several major structural problems in the system. The first of these is the tendency of elected school board members to become overly involved in operational decisions to the detriment of educational policy. To understand this more clearly, it is helpful to make the distinction, as Ted Kolderie of the Humphrey Institute does, between providing a public service and producing it.

  The providing function is the primary function of government and elected bodies. It involves a policy decision about whether a service should be provided at public expense, how much public resources should be spent in the provision of that service, and what kinds of outcomes are desirable. In education, government provides the money through tax dollars to insure that education is provided to its citizens through the public schools. Locally elected school boards make policy decisions about whether social promotion will continue, whether competency based testing should be utilized and so on.

  The production function is different in the sense that it involves management and operational decisions about how the service will be delivered, rather than policy decisions about whether it should be delivered at all. Simply put, a major problem in the state's K-12 education system is that school boards have become overly involved in production decisions rather than policy decisions. This is understandable given the enormous organizational and administrative burden of expanding and contracting plants and services during the past two decades to meet first, the dramatic increases in student enrollment and then, inevitably, the precipitous declines which followed. For that reason, buildings, busing, staffing, and organizing have been the first priority for school boards. But as the report of the National Panel on High Schools and Adolescent Education observed, a price has been paid for that emphasis in that "we have been compelled to focus our energies on managerial problems to the inevitable neglect of certain cherished purposes of education." There have been other nonproductive effects of

the blurring of lines between policy and production as well. The inability of educators at the local school level to have control over the "production function" and management of their school's budget has occasioned a diminution of their status as professionals and decreased their ability to successfully respond to students' diverse needs. Moreover, in the pressing need to first build schools and later to close them, school boards have been unable to pay adequate attention to educational standards and the issue of assuring an appropriate level of competency from their graduates.

The many legal, contractual, and regulatory barriers which hamper the public schools from pursuing the innovative approaches necessary to adequately respond to the diversity of student needs. These barriers contribute to the inability of school principals to become true managers of the educational enterprise. Such barriers prevent the increased utilization of new technology, volunteers, and paraprofessionals. They prevent teachers from arranging for more stimulating classes for gifted children and remedial assistance for slower learners, whether in the classroom or outside it. They prevent the schools from utilizing the community for educational purposes through purchase of service arrangements and stifle the creativity and potential of educators.

The committee found attendance areas and district boundaries which restrict parents from choosing the educational programs most reflective of their children's needs. Despite the philosophy behind the "common school" concept, some schools consistently outperform others. For that reason, school district boundaries and intradistrict attendance areas frustrate the goal of providing equal educational access to all our citizens. For what does it mean to be "public" except open to and accessible to all? Yet, by that criteria, public schools are not, strictly speaking, "public."

In many cases the quality of schools depends upon where one lives. This situation is more true for some members of our society than for others. The poor and other low income groups have little choice about where they live and so, equally little choice about their education. The more well-to-do have choices. They can move to a better school district. Or tax themselves more. Or send their children to private schools. This results in subtle discrimination that is all the more invidious for being hidden behind official sanctions.

Finally, the ability to make fundamental choices in the educational system is a source of perpetual conflict within schools. As Ralph Lieber, the superintendent of Edina Public Schools put it, "to the extent that schools are not organized in such a way that allows clients to choose, they foster dissension."

- **The final reason that structural change is necessary is that the incentive structures in the present educational system are so weak as to preclude widespread replication of outstanding existing programs and promising alternatives in the system as a whole.** During the course of our committee's life, we learned about many fascinating and promising alternatives. Some of these alternatives could potentially aid students' learning a great deal—such as broader use of computers or the ability to utilize learning opportunities in the community, or simply to assume responsibility for a variety of school functions and activities, including assisting in the instruction of other pupils. Other alternatives offer the potential of increasing the professionalism of teachers as learning managers or of principals as real managerial and instructional leaders. Currently, incentives are not present to produce alternatives to deliver educational service more economically while using the resulting savings in a variety of ways which could enrich the school and the financial remuneration of those who work in schools.

  Our committee was excited by the alternatives it heard and sensed a corresponding sense of excitement from those who presented them to us. Such enthusiasm was in marked contrast to the visible sense of discouragement of those associated with the present system. We came to understand that the fundamental reason such alternatives were not being tried or replicated in the present system is that there literally are no incentives, or consequences, that would bring them into existence.

THE STRUCTURAL CHANGES MOST NEEDED INVOLVE REDISTRIBUTING THE AUTHORITY FOR MAKING EDUCATIONAL DECISIONS.

Decisions about educational policy should continue to be exercised by elected public officials—legislators as well as school board members.

Now more than ever, school policy makers should not become ensnarled in operational matters but take a fresh look at educational standards, the meaning of basic competency and policies which promote it.

Decisions about what to provide and how to offer it should move to the level of the individual school.

The rich diversity of educational program, the standards of excellence, the responsiveness to changing needs are all possible goals for our metropolitan area and state, and we may

be closer to their achievement than we realize. But developments in these directions would be accelerated by moving more management responsibility to the school level. By extending to teachers and principals the flexibility to organize educational opportunities according to their best professional assessments of what is needed and will work. By making the school the center for decisions on curricular emphasis, on instructional strategies, and the way to spend available resources.

We need a climate which encourages, defends, and rewards innovative results. We need the flexibility to contract out to other providers for certain services, to match teachers to the instructional task. There is enormous unused creative potential among today's teachers and frustration which can be converted to renewed commitment if we have the courage to remove the barriers, many of which are firmly fixed in existing policies and procedures, now discouraging more individual responsibility for improving performance.

With such changes come risks. Some good ideas, once tried, don't work as well as they should. And some individuals do not want to change and seek protection from it. And the politics of serving on the school board are already hazardous enough without courting more risk. Yet this is precisely the orientation that is needed. A willingness to accept risk to get progress.

Decisions about where to go for educational services should shift to the family.

We have suggested that the decisions about what to offer and what instructional strategies to use are best made by the educators responsible for organizing the educational opportunity at individual schools. The decision then, about which school, which program, and perhaps which teacher, properly belong to the family. However rich the array of educational opportunities may be or become in our community, it means much less without authentic access to that diversity.

We should move toward a system through which families can exercise much wider choice in their decisions about educational services. Such a movement will involve a fundamental reorganization of the delivery system as we know it. There are practical problems to resolve, and there are legitimate concerns that we protect the progress made in recent years in making the opportunity equitable. We must move now to design a system which meets these challenges, succeeds in renewing our commitment to educational excellence and positions us to prepare our citizens for the future.

A RENEWED COMMITMENT TO A RESTRUCTURED EDUCATIONAL SYSTEM WILL REQUIRE FUNDING FROM A VARIETY OF SOURCES–PRIVATE AS WELL AS PUBLIC.

Education today is caught in the same dilemma facing many other public services. That dilemma can be characterized in the following way: public opinion polls show that a large majority of voters believe that we should be spending more on many basic public services–education, police, fire, housing for the elderly, medical care. But the public is at the same time reluctant to pay for these services through *taxes*. Is this phenomenon merely to be attributed to the quirks of the general public or is there something more fundamental at work here?

Today, more and more people are arguing that we must cut back on public expenditures. The revenues are simply not there any longer, they say. But at the same time most American taxpayers are better off than ever before–thus they have a greater ability to pay for services. The fact that the public seems to rebel at the imposition of higher taxes seems to some as being "meanhearted and selfish," particularly at a time when human "needs" are so well documented. Maybe it isn't. Maybe what we are bumping up against are the natural limits of the welfare state. *Is it really rational, given what we know about human behavior to expect people to want to pay more in taxes so that everyone else can obtain social benefits?* Arthur Seldon, a British author and scholar, does not think so. He argues that there is a "clear, rational and predictable distinction between the attitudes of paying taxes and paying prices." As he writes in his book, *Charge:*

> "A tax is felt as a forced extraction of resources; it is seen as a reduction of purchasing power; it conveys a sense of loss, once tolerated but increasingly resented. A price is seen as a voluntary act of using personal resources; it is seen as an exchange of purchasing power for a desired commodity or service; it conveys a sense of gain, since voluntary exchange is a game in which both sides win. (Unless both buyer and seller stand to gain from an act of sale, they will not take part.) The difference is that in a free exchange both sides are willing; in tax-payments normal taxpayers are unwilling because they see nothing in return."

If Seldon is right, then it suggests something more about the way we finance public services in general and very possibly, education in particular. As Seldon states:

> "If we are forced to pay by taxes instead of prices we shall have less–of education, or anything else–than we should like to have and are able to pay for. Payment of taxes–the financial mechanism of state education and the welfare state–prevents us from doing as

much in welfare as we wish and can."

Based on Seldon's comments, the implications for the educational system would seem to be these:

- Our system of paying for educational services should be restructured so that available resources are placed in the hands of users directly, thereby putting them in the position of buying what they need, where they prefer.

- By allowing public educational dollars to follow consumer choices, users' satisfaction with and commitment to the educational system should increase.

- Continued exclusive dependence on taxes may be holding down net societal educational expenditures. Thus, one means of allowing more capital to flow into the system in a time in which public resource constraints are likely to be long lasting would be to allow parents to pay, and schools to charge, supplementary tuition qualified by complete attention to the ability-to-pay principle.

We concur with these strategic directions, believing that Minnesota should allow schools the opportunity to seek additional funding support beyond public tax dollars. Such funding support could come any number of ways. It could come from allowing schools to take on new tasks and charge for them. It could come from supplementary tuition on a qualified basis. Or it could come from venture capital made available to viable propositions for educational innovation from private sector firms or philanthropic groups willing to underwrite the risks of a new venture's developmental period.

RECOMMENDATIONS

Our recommendations as a committee proceed from the conviction that three kinds of changes are central to any successful effort to restructure the K-12 educational system. These three changes are as follows:

- *Various decision-making functions should be decentralized.*
- *Existing barriers to operational excellence should be removed, in order to grant more flexibility and innovation.*
- *Public educational dollars should follow parents' choices about which schools or educational services should be utilized.*

Before advancing our recommendations for an integrated strategy based on these three elements, the rationale for each should be provided in more depth.

Various decision-making functions should be decentralized from the district level to the school level.

To some, decentralization may imply doing more of the same on a smaller scale. That is not what our committee means in its use of the term, for we have concluded that "more of the same" will not do. In fact, that is exactly the problem—that old methods of teaching children do not appear relevant or effective today. While these old methods may meet the needs of some hypothetical student norm, they do not respond adequately to the needs of real students. Put another way, in attempting to meet the needs of all students the schools appear to be failing to respond adequately to the needs of individual students—especially low and high achievers.

Appropriate decentralization of certain kinds of decisions from the district level to the school level should be pursued for four reasons:

- **Decentralization should be pursued to achieve a separation of policy and production,** thereby taking elected officials out of operational decisions and allowing them to pursue policy issues. Such a shift would also allow "production" or management decisions to shift to educational professionals at the school level. This is as it should be, for that is where the learning relationship occurs and also where learning difficulties begin. Just as it would be unreasonable to attempt to fight a fire from a block away so, too, is it unreasonable not to give educators at the school level the flexibility to apply resources to individual needs. Finally, such a strategic shift will inject more professionalism into the role of teachers and principals.

- **Decentralization should be pursued because schools have been asked to address more conflicting societal goals and divergent expectations than they can reasonably be expected to accomplish.** Research indicates that schools are more effective when it is clear to their staff and students what the mission and goals of the institution are. Since there is little public agreement about what schools should do in the aggregate, educational professionals at the school level should be given more control over their school budget in order to operationalize an institutional mission and then allow consumers to choose whichever school or educational services are most in line with their children's needs.

- **Decentralization should be pursued in order to assist schools in differentiating themselves from each other, thereby increasing their capacity to offer meaningful choices to consumers.** It must be made clear from the outset that diversity is not being sought for its own sake, but because the present situation demands it. Like it or not, children differ in their learning styles. Continuing attempts to treat different kinds of learners the same will continue to prove unfruitful—and there can be no doubt that the area in which schools have been least successful is in providing for the needs of remedial and gifted students. As George Young has stated, "to provide for equal educational opportunity for all, one is required to attend to the needs of each." As children's educational needs differ so should education become more diversified in ways which directly respond to those needs. In such a system it is only right to allow parents to select the educational experience which can do the best job of preparing their children for the future.

Existing barriers to operational excellence should be removed, in order to grant more flexibility to educational professionals at the school level.

We are convinced of the need for enabling legislation which

allows Minnesota's public school system greater flexibility while holding true to established educational standards and policy. What we seek are not *unregulated* schools but rather the opportunity for schools to become, to a greater extent than they are today, deregulated. This can most usefully be accomplished through legislative action that decreases the regulation of all public schools to promote flexible delivery of service within the parameters of overall public policy. Such a change would allow some schools and school districts to "play by the old rules" thereby allowing traditionally operated public schools to remain intact, as viable choices for those educators and parents who prefer them. But at the same time, other schools and school districts might prefer greater flexibility in order to produce a greater variety of managerial and curriculum alternatives. Such schools then could emerge as choices for parents and educators who desire them. Competitive delivery systems might be able to do for the educational system what Health Maintenance Organizations have done for the health care system in terms of offering new ways for providers to deliver, and consumers to receive, service.

It is clear that Minnesota's legislative leadership is increasingly aware of the need for such steps to be taken and some have been taken already. Senator Jerry Hughes' 1981 Minnesota Improved Learning Act, and Representative Ken Nelson's amendment for a variance on all state regulations for experimental programs, are primary indications of this movement. Examples of regulations which could be reviewed for potential removal are seat-time requirements, teacher certification requirements, established practices which mandate a given pupil-teacher ratio, collective bargaining arrangements which prescribe that teachers' compensation relate exclusively to the number of years worked in the system and the number of graduate or post-graduate credits earned, state laws regarding seniority and school board precedents and practices which establish a single "master contract" for all teachers in a district.

We feel that movement away from operationally oriented regulations are needed at this time. In a report prepared for the National Institute of Education by Professor Richard F. Elmore of the Institute of Governmental Research at the University of Washington, a thesis is advanced that traditional attempts to control the educational system from the top down may well be part of the problem. In discussing the difficulty of translating policy decisions into administrative action (the so-called implementation problem), Professor Elmore addresses the issue of how legislators and administrators can best influence policy implementation. He maintains that influence can come only if policy-makers recognize that the most important part of implementation takes place at the bottom of the system, not at the top. "The more control exerted at the top, the less likely the desired results at the bottom, where the client is."

Thus, Elmore argues, government has to be prepared for a trade-off. If more hierarchical control is exerted, agencies are more likely to get compliance but at the cost of greater complexity and little payoff in performance. The alternative to this approach relies more on delegated control and an emphasis on raising delivery capacity at the expense of compliance. "The first approach sees local variability as a threat to uniform program guidelines, while the latter capitalizes on the inventiveness of the people who are actually delivering the service and treats diversity as the best way to improve local programs."

There is no question that, as a committee, we prefer the latter approach. We have a strong and abiding belief that many of the professionals in the present system, if given greater flexibility and the opportunity to be rewarded for innovation, can bring about the kind of excellent system we all envision.

Public educational dollars should follow parents' choices about which schools or educational services should be utilized.

It ought to be stressed again that there are some common threads that run through the committee's three central recommendations. Reasoning that schools should not be required to "do everything" leads us to recommend that they be given the opportunity and the flexibility to define their own purpose and mission within the context of overall public policy. Believing that consumers are not united in what they want schools to do leads us to recommend that they be given the ability to choose the school which is best for their children's needs and their own personal expectations.

Likewise, we are prepared to give principals and teachers more power and control over what happens at the school level because we believe that such power can be checked or balanced on the other side through a continuing relationship with the school district, governance councils at the school site, and consumer choice.

Our advocacy of parental choice is not simply tied to "consumer empowerment." It is also tied to our belief that redirecting the system in this fashion will allow for an easier flow of capital to outstanding schools or service providers. (Something which is not feasible in the present system and for which the present clouded public resources picture holds no prospect.) Finally, for nearly the first time it opens the doors for educators to start their own schools or educational enterprises.

To The Legislature:

The legislature should promote decentralization of the educa-

tional system in the metropolitan area by allowing new public delivery systems to emerge and allowing educational dollars to follow parents' choices.

While we have limited this recommendation to the metropolitan area we see no reason why this same recommendation should not be expanded to include the state as a whole. Such a movement, however, we leave to legislative discretion.

Decisions about educational policy should continue to be exercised by elected public officials–legislators as well as school board members.

What we are seeking is greater flexibility for educators in terms of operational standards. The Legislature, the State Board of Education and the local school boards should continue to attempt to define common standards or expected outcomes for the system as a whole. Perhaps this should be in the form of basic competency levels in certain basic academic areas. Perhaps this will take the form of mechanisms designed to test whether such competency is achieved. Additionally, the state and its public school districts should continue to adhere to the following principles in order to assure that distinctive and stringent protections are maintained:

- Education in the state of Minnesota should continue to be universal for all students through the age of 16.
- No school may discriminate against pupils or teachers on the basis of race or economic status.
- Schools must be open to all applicants.
- Schools must have uniform standards for suspension and expulsion of students.
- Special compensatory policies for special education students, the handicapped, and AFDC students should be continued.

Legislative direction for the reorganization of the delivery system for elementary and secondary education in the metropolitan area should proceed along the lines of the following characteristics:

- Decrease the regulation of all public schools to promote flexible delivery of service within the parameters of overall public policy. This will allow existing schools to choose the way in which they deliver the educational service. It will also allow teachers, principals, or other vendors who believe they can produce a better learning opportunity to take advantage of this new flexibility within existing schools or in new ones.
- Pupils would no longer be required to attend school in their districts of residence. Enrollment would be permitted based on the preferences of children and their parents.
- No school with access to public resources could enroll a lower proportion of minority or low-income applicants than that proportion reflected in its application pool.
- School districts would no longer receive funds directly from state appropriations or local taxes. Instead, these resources would follow the attendance decisions made by families, with each enrollment worth a designated dollar value to be decided from time to time through the legislative process. (Special worth should continue to be placed on the amount that handicapped, and special education students receive.)
- Under this system, school districts would be obliged to assume clearinghouse responsibilities to inform parents of differences in schools.

Additionally, the Legislature should, on a regulated basis, allow educational services to be purchased from private vendors.

This could happen any number of ways. It might happen in instances where public schools or school boards desire to purchase services from private vendors. Such decisions might involve providing a class in a private school when there isn't enough volume available in a public school. It might involve the purchase of remedial services from private vendors who specialize in rendering such services to troubled youths. Or it could happen in instances where families elect to purchase all or part of the educational service from private providers. The public interest behind the public financing of education is to assist all taxpayers in obtaining the best education possible. In short, that they learn. The public interest does not lie in supporting one system over the other. Both public and private schools are needed. Both have a significant role to play. Neither, we believe, is inherently superior to the other. There are excellent public schools and excellent private ones. There are also academically inferior public schools and academically inferior private schools. Outstanding public schools (as witnessed by the examples of Saint Paul Central and Minneapolis Central High School) have been shown just as capable as private schools in attracting students from the other system.

By agreeing to submit to certain regulations, such as separation of sectarian practices and acceptance of low-income applicants in the same proportion as the proportion of those applicants in their applicant pool, private schools could be treated in the same manner as the deregulated public schools,

with a similar claim on public resources. Similarly, private schools may not require additional tuition of low-income applicants beyond that contained in the public subsidy for their education. Any private school unwilling to abide by these restrictions or which discriminates on the basis of race, sex, or religion would be denied access to public reimbursement.

To The Boards of Education:

In the interim before any legislative action is taken, boards of education in the metropolitan area should begin immediately to:

Shift the authority and responsibility for basic educational delivery decisions, as much as possible to individual schools.

Beyond the setting of standards of performance and social equity which reflect the political will of the community, boards of metropolitan school districts should shoulder the risks and seize the opportunities of letting teachers and principals really be in charge of what each school does. They should invite the kind of structure which gives families whose children attend the school a greater share in decision-making than participating in advisory committees affords.

School-based authority should include the budgeting of all funds, selecting personnel, and determining their salaries, shaping curricular emphases, determining school policies, and devising instructional strategies. The real opportunity to shift this responsibility, and to capitalize on its inherent advantages, depends somewhat upon removing some regulatory barriers. For example, schools must be free to contract out for services which cannot be as efficiently or as effectively provided within the school itself. Fortunately, there is a vehicle for securing a waiver of any state regulation in the provisions of the Minnesota Improved Learning Act of 1981, (as amended in 1982).

Expand to the fullest degree possible the opportunity for families to make the educational decision which they can best make--the choice of which school to attend.

The realistic prospects for greater choice are clearly related to the size of the school district, as well as its policy preferences. Indeed, the best examples of movement toward greater choice are to be found in our metropolitan community's two largest school districts, those of Saint Paul and Minneapolis. Even here, where choice has been centered mostly on program, it should expand to a fuller choice of the school. And the choice should begin to include delivery of services by other vendors outside the present school district. Much more could be accomplished toward diversity of opportunity and choice of school if contigous districts would agree to a system of shared resources which would permit their children to choose schools across present boundaries. This sort of fluid transferability across two or more existing districts certainly seems like a proposition less difficult than consolidation for districts, and more accessible for families than the current transfer procedure.

Begin to release the kinds of relevant information, including but not limited to, standarized achievement scores, which permit families to make general comparative assessments of school performance.

Information which could be made available currently may not lend itself to comparability at perfect levels of confidence; and certainly there are problems to resolve in aggregations of information which protect privacy while providing a profile. Also, simple achievement measures do not tell the whole performance story; perhaps these scores have to be related systematically to prior achievement and aptitude or other qualifying criteria. But we must begin to make more information about institutional performance available to families who are making decisions about schools. In addition, families will need basic descriptions of program, and explanations of instructional strategies, and other information in order to begin exercising informed choices. Again, the school districts of Saint Paul and Minneapolis have shown leadership; other districts should follow their example.

To The Business Community and Potential Entrepreneurs:

The business community should promote innovation of education-based products and services by establishing a non-profit organization to provide technical assistance to potential entrepreneurs, as well as a for-profit venture capital fund with assets dedicated to enterprises which show promise for substantial educational delivery advancements.

This committee is convinced that numerous ideas and improvements are lying dormant within the resources of our current education system, and that others can be attracted to the community through encouragement. *Access to expertise and capital will remain a scarce commodity over the next several years, even for the best conceived educational ventures.* If we are to get innovation, we should promote it; if we want change, the incentives or motivation must be there. If we are to encourage entrepreneurship among educators or the creative individual, it must be a practical possibility for them.

Minnesota and this region in particular have worked on some interesting arrangements to encourage the stimulation of innovation and the creation of new enterprises. The prime example is intense commitment to technology-based industries. The committee has run across some unique arrange-

ments which if applied to education may help create new ventures, services, and products.

We would suggest one patterned after the Minnesota Cooperation Office and the Minnesota Seed Capital Fund.

To promote more "start-up" technology-based companies a non-profit organization, the Minnesota Cooperation Office, was formed. It is made up of a voluntary board of successful executives and a staff of experienced business development managers. It assists individuals with ideas. It helps them put together business plans, market forecasts and financial projections. The staff and board review the merits and potential sources of financial support for fledgling technology-based ventures. These "entrepreneurs" then seek funding from traditional sources or venture capital firms. A companion organization to the Minnesota Cooperation Office is a "designated" venture capital firm, the Minnesota Seed Capital Fund. This for-profit group pools the funds of its investors and provides risk capital for technology-based start-up business. If the venture succeeds in making a profit, both the investor's profit goals and the broader goal to stimulate business growth in Minnesota are realized.

With modifications to this example, the committee suggests a two-fold designated-purpose support mechanism for educational entrepreneurs.

This model could be applied to meet the state's goal of excellence in education. A group to assist individuals or groups wishing to start-up new education ventures could be formed. In fact, a newly created group called Public School Incentives is a fledging attempt at this. The non-profit we support would provide sound business and financial planning to education entreprenuers and assist them in finding venture funds for their ideas. Educators willing to run schools and education ventures would be prepared to seek risk capital.

That kind of seed money will not come from the strapped public sector. It could come from the foundation community or the metropolitan business community—already showing concern and support for education through volunteers and philanthropic funds. It could come from the organizations or groups concerned with education.

Suppose, like the Minnesota Seed Capital Fund, a designated venture capital fund for education ventures was formed to provide risk capital for innovative projects for effective education. These ventures could be run on a self-supporting or for-profit basis and repay the investors who contributed to the risk pool. It would offer a haven or incubator for those who (because of cuts or public sector inflexibility or a determination to do better differently) cannot find the wherewith-all to get started. The new venture could serve the public schools under contract or become free-standing education ventures.

Another by-product of this type of move would be the realization of "ownership" or true equity in education. Teachers and administrators could either individually or cooperatively become business owners. The motivation for improvement and success is tangible.

The committee believes that the new educational vendors which can emerge from this arrangement could, over time, generate particular products, specific educational services, or entire education programs dedicated to real educational excellence. They would provide a rich resource for school districts seeking new vendors or individual consumers.

While we do not here recommend that business contributions be confined to this medium, we do encourage the business community to resist requests for financial support not associated with a fundamental restructuring of the present educational system.

Table 7 pictures the process we envision. See following page.

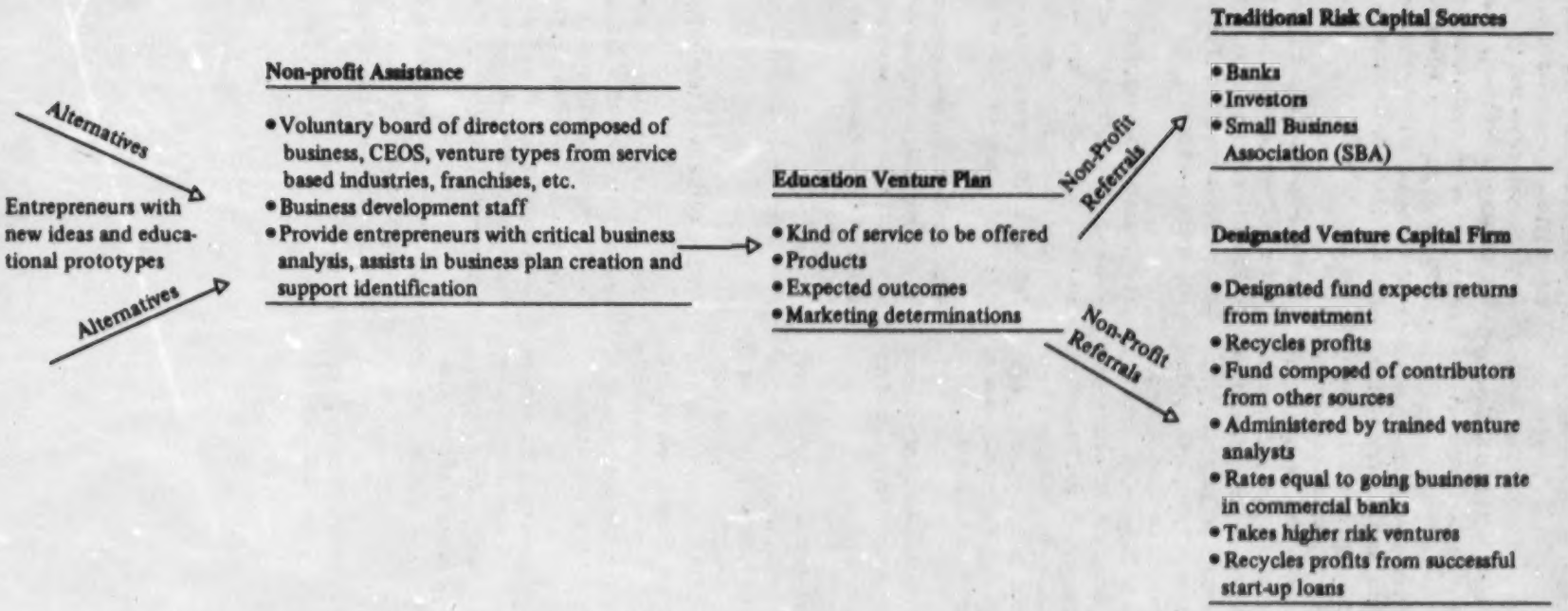
To The Citizens League Board of Directors:

The League should follow-up on the recommendations made by this committee with all due haste. Such a follow-up effort should attempt to put forward the specific details of how the system we have outlined could be applied to our metropolitan community and state. That kind of additional elaboration should be ready in time to anticipate the opening of the 1983 session of the Minnesota State Legislature.

Finally, such a follow-up effort should make such additional recommendations which would suggest a timetable for implementation and how that implementation could be phased in over time.

TABLE 7

THE VENTURE CAPITAL PROCESS


Alternatives
Entrepreneurs with new ideas and educational prototypes
Alternatives
Non-profit Assistance
• Voluntary board of directors composed of business, CEOS, venture types from service based industries, franchises, etc.
• Business development staff
• Provide entrepreneurs with critical business analysis, assists in business plan creation and support identification
Education Venture Plan
• Kind of service to be offered
• Products
• Expected outcomes
• Marketing determinations
Non-Profit Referrals
Non-Profit Referrals
Traditional Risk Capital Sources
• Banks
• Investors
• Small Business Association (SBA)
Designated Venture Capital Firm
• Designated fund expects returns from investment
• Recycles profits
• Fund composed of contributors from other sources
• Administered by trained venture analysts
• Rates equal to going business rate in commercial banks
• Takes higher risk ventures
• Recycles profits from successful start-up loans

FOOTNOTES

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[12] Testimony to CL Committee by Bill Rosenbloom, national board member, National Committee for Citizens in Education, July 1, 1981.

[13] Testimony to CL Committee by Dr. Ralph H. Lieber, superintendent of Schools, Edina Public Schools, Edina, MN. (The quote comes from Lieber's short paper entitled, *Entrepreneurial Teacher*), August 26, 1981.

[14] *Ibid.*

[15] Testimony to CL Committee by state senator Jerry Hughes, chairman, Senate Education Committee, July 15, 1981.

[16] Telephone conversations between CL staff and Laurie Sweeney, vice president, Ombudsman, Inc., Libertyville, IL, May 12, 1982.

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[31] *Ibid.*

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[64]Michael W. Kirst, "Curriculum: A Key to Improving Academic Standards," prepared for College Board Symposium on Transition from Secondary School to College, St. Louis, MO, May, 1981.

[65] Jessica Tuchman Mathews, "The State of American Education: It is in a Fearsome, Perilous Decline," Syndicated column to the *St. Paul Pioneer Press*, October 22, 1981 from the *Washington Post*. (See also, *Debating National Education Policy*, Washington, D.C., American Enterprise for Public Policy Research, 1981, pp. 56-57.)

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[103]The information from this section originates in a series of reports done by the *Minnesota Statewide Assessment Program*. Additional information from these reports has been summarized and may be found in great deal in Appendix III in the back of this report. The reports utilized were:

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- *Minnesota Statewide Educational Assessment in Science*, 1978-79, Final Report, June, 1980. See especially pp. 9, 26, 43, 61.
- *An Interpretive Report in Reading Performance in Minnesota, Minnesota Statewide Educational Assessment Program*, 1977-78, April, 1979. See especially pp. 66, 82-83, 92-93.
- *Minnesota Educational Assessment Reading Study*, 1973-74, pp. 85-88.
- *Minnesota Secondary Reading Inventories Grades 10-12*, Minnesota Department of Education, April 1981, State of Minnesota.
- *Minnesota Secondary Reading Inventories, Grades 7-9*, Minnesota Department of Education, April, 1981, State of Minnesota.
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[116] Minnesota Poll, *Minneapolis Tribune,* March, 1981.

[117] Madelaine B. Hemmings, *Statement on the Elementary and Secondary Education Consolidation Act of 1981* for submission to the Subcommittee on Education of the U.S. Senate Committee on Labor and Human Researchs for the Chamber of Commerce of the United States, Washington, D.C., May 15, 1981.

[118] 1980 Census Data for Minnesota.

[119] *Ibid.*

[120] "Information on Minnesota's Non-public Schools for 1979-80," (*Minnesota Department of Education,* Education Statistics Section, February, 1981), pp.5-6.

[121] *Ibid,* p. 9.

[122] *Ibid,* p. 3.

WORK OF THE COMMITTEE

The charge given to the Educational Alternatives Committee by the Citizens League's Board of Directors reads as follows:

The education of our children is an enterprise for which society seems to seek continuous improvement. This concern often takes the form of serious criticism of present practice. The conversation over whether we are getting from our educational system the kind of results we feel we have a right to expect from the investment seems to have grown more intense in recent years. Public opinion polls and research about achievement increasingly point to rising public dissatisfaction with our schools.

In addition, it appears that our ability, if not our willingness, to fund the existing arrangements is in question. Increasingly, the providers of the service–teachers, administrators, boards–seem to be joining parents and students in their dissatisfaction. And the kind of commitment which usually characterizes successful efforts seems to be ebbing.

Perhaps the time is right to consider another approach, or a variety of approaches. Maybe the relatively standard way we go about this work now is more restrictive than it needs to be. The struggle to define educational quality has a long and generally frustrating history; and were it to be acceptably defined, the debate among practitioners over how to produce it would be endless. Some claim that it makes more practical sense to try a marketplace definition, to let people choose which effort seems worth what it costs. For there to be choices, though, there must be alternatives. Are there strategic alternatives to the present approach which would have the effect of creating real choices for parents and students–and for the providers of the service.

The committee shall explore the strategic potential of the concept of "choices" for mediating the growing problems of quality and finance of elementary and secondary education in the metropolitan area. This exploration should respond to the following questions:

- What strategies, tried or untried, deserve more attention and hold more promise for constructively altering the system? Priority should be given to those approaches which clearly address the problems of quality and finance, and which offer the opportunity for more "choice." Consideration should include proposals which a) give greater authority and responsibility to teachers, b) give greater authority and responsibility to parents and students, c) make more use of technology, d) change boundaries or authority of school districts, and e) change the basis of financing schools.

- What are the barriers–attitudes, laws, regulations, agreements, etc.–to experimenting with these strategies? What essentially prevents the system from becoming more of a "choice" situation for all participants?

- What can be done, and by whom to overcome the barriers, to open up the system to these possibilities?

Committee Procedures

The Educational Alternatives Committee began its work on March 11, 1981 and completed its work on April 19, 1982. During the course of its work, the committee held 42 meetings approximately three hours each.

During the early phases of its work, the committee received testimony from a number of community resource persons. The list of speakers and their organizational affiliations include:

Dan Conrad, instructor, Childrens' Theatre School
Jack Coons, professor of law, University of California, Berkeley
Earl Craig, president, Minneapolis Urban Coalition
Eileen Erickson, director, Southside Family School
David Graven, attorney, Holmes & Graven
Arthur Harkins, professor, University of Minnesota
James Hetland, senior, vice president, Northwestern Bank
Jan Hively, planning coordinator, Minneapolis Public Schools
Jerry Hughes, state senator, Chairman, Minnesota Senate Education Committee
Frank Huszar, executive director, Minnesota Independent School Fund Incorporated
Peter Hutchinson, vice president, public affairs, Dayton Hudson Corporation
Clyde Ingle, executive director, Higher Education Coordinating Board
Herbert Jensen, president, National Center for Improving Education

Harry Kaiser, assistant agricultural economist and analyst, Midwest Research Institute
Donna Knight, executive director, Governor's Task Force on Educational Policy
Elmer Koch, generalist, Wilder School
Ted Kolderie, senior fellow, Hubert H. Humphrey Institute of Public Affairs
Ralph Lieber, superintendent, Edina School District
Eugene Linse, professor, political science, Concordia College
Gene Mammenga, assistant executive director, Minnesota Education Association
Sister Marion McCarthy, superintendent, Catholic Education Center
Ron McKinley, director, issue adv. & outreach, Minneapolis Urban Coalition
LuVerne Molberg, chairman, CL Communications Committee Report
John Mooty, attorney, Gray, Plant, Mooty, Mooty, & Bennett
Joe Nathan, assistant principal, Murray Magnet Junior High School
Glen Nelson, associate professor, Department of Agriculture & Applied Economists, University of Minnesota
Elliot Perovich, principal, Blaine High School
Bill Rosenbloom, national board member, National Committee for Citizens in Education
David Schaaf, former State Senator
Mary Ellen Spector, former school teacher, Minneapolis and Bloomington
Edwin Steuben, dean, Institute of Technology, University of Minnesota
Joel Sutter, research associate, Minnesota Department of Education
Betty Jo Zander, assistant superintendent, Minneapolis Schools

The report was submitted to the Citizens League Board of Directors on April 20, 1982. The Board began its consideration of the report at its meeting on April 28, 1982 and completed its deliberations on Tuesday, May 4, 1982. In all the Board spent at least six hours debating the merits of the report before passing it by a large margin. Of the board members voting against the report, two, Earl Craig, Jr., and T. Williams submitted minority reports. They may be found on the pages following this section.

Approximately 37 people signed up for the Educational Alternatives Committee. Of these, 16 remained active committee members throughout the life of the project. The names of these committee members are listed below:

Carol Trusz, Chairperson	**Wayne Jennings**
John Bohan	**Lorraine Palkert**
Molly Cross	**Michael Peroz**
Ward Edwards	**Charles Rice**
William Fuhrmann	**Elaine Saline**
James Hammill	**Steve Thorp**
John Harden	**Gary Dodge**
Hugh Hawkins	**Kaimay Terry**

The committee was assisted by David Hunt and Donna Keller of the League's staff. This report was printed by Joann Latulippe.

BOARD MEMBER MINORITY REPORT

I am unable to support the Citizens League Report on Educational Alternatives because its central recommendations jeopardize the democratic process which works to balance the tensions between common good, majority consensus, and individual/minority group rights.

I agree with the report's statement that structural changes are necessary in the educational system and such changes may enhance the quality of the educational services. However, the manner in which the committee arrived at this conclusion, and the mode for change which it suggests, causes me grave concern.

For example:

- **The Citizens League process.** The committee composition and the expert testimony did not (attempt to) reflect the needs and aspirations of the diversity of parents and children served by the public schools.

- **Parental choice.** The report states, "Public educational dollars should follow parents' choice about which school or educational services should be utilized." I believe this statement tends to perpetuate the growing conversative, libertarian and individualistic mood in this country for instituting an educational voucher system.

  I do not believe that placing the controls of public education in the hands of individuals promote equity and the public welfare. Instead I believe that George La Noue sums it up properly in *Educational Vouchers: Concepts and Controversies* when he states, "Substituting consumer accountability for political accountability is not in the long run a good bargain for either parent or society. Majority rule should be tempered with a respect for minority differences and public education should offer many alternatives...".

- **Deregulation to empower consumers.** The report suggests that increased constitutent empowerment will flow from deregulated schools, but fails to indicate that such changes should be incremental. System changes will require study of the school's institutional setting and the creation of training and development programs to help a complex organization change its environment. I speak especially of the need for a restructured system which is based on educational realities and professional capacities. Staff training and development programs for teachers, and future treachers, are necessary components of system change and their omission weakens the report's recommendations.

- **Empowerment through vouchers.** Vouchers address only economic issues and have little impact upon issues of discrimination and racism. Broad based discrimination in housing in this country and not economic barriers led to the development of public housing.

- **Competition of the marketplace produces the best product for consumers.** This is not so. Minorities and poor people have always been at the mercy of the "marketplace." People living in the inner cities shopping at the chain supermarkets pay more for less. The prices are higher and the quality of the products poorer than in the same supermarkets in more affluent communities. "Marketplace" educational products are likely to be the same.

I believe that public education, like private enterprise, must practice good stewardship. Both must increase productivity, invest in research and technology, retrain personnel, develop long range planning strategies rather than focusing on short term goals and respond with more accountability and effectiveness to consumer needs. I will be supportive of efforts which will sacrifice neither equity nor effectiveness to improve education. I do not believe that the "marketplace" strategy will serve education as well as a publically controlled educational system.

T. Williams, Member of Board of Directors.

BOARD MEMBER MINORITY REPORT

Before discussing this report's core recommendation, namely moving the Minnesota public school system to a "voucher" system, I will discuss some of the majority report's assumptions.

Clearly there are many of the committee and board majority's assumptions with which I agree. At the top of that list is that there is a gap between the achievement of students and the needs of a complex, changing society.

I would agree that there are many regulatory barriers and societal expectations that impede the effective delivery of education.

I would concur with the majority that money: a) will be less available and, b) if available, is not at all sufficient to solve important problems and surely not to create fundamental change.

This is indeed a time of risk and opportunity for making fundamental changes in the provision of public secondary and elementary education. And further, we, as a state, would be derelect in not seizing this time. We must move to create an attitude for change.

If I agree with these and other assumptions of the committee, then why this minority report?

I dissent because I reject categorically the belief of some in the board majority that lack of support for this report's recommendation for vouchers and skepticism about the general move toward privatizing much of public services means not only a defense of the old but lack of real dissatisfaction. One can be very unhappy with the product delivered by public institutions (e.g., the schools) and have real fears about privatizing them. I am and I do.

My dissent from the majority's core recommendations for a voucher system is based on two questions:

- Is the voucher option the only (or even the best) alternative for achieving fundamental change?
- Are the current significant inequities likely to increase or decrease by a move to the voucher system?

I do not believe that the market option is the only one and believe that social and economic inequities will increase under the proposed system.

In regard to the second of these two questions: 1) The access problems of race (although not the other manifestation of racism) can be remedied by quotas for student admissions, related, for example, to the applicant pool. Similar access guarantees can be developed for low-income students. 2) However, the challenge is the educationally disadvantaged, the hard-to-teach, the hostile and unmotivated, some of the handicapped, and, particularly, those students in families without the motivation, knowledge or confidence to hold their children and/or the school system accountable. This group of students is not insignificant in number or in the deleterious effects on the whole society caused by their miseducation.

The majority voucher proposal is woefully inadequate (as is the present system) in its attention to the probable impact on this group of students: namely, that they will be left in underfunded 'old' public schools, staffed by those teachers and administrators unable (due to age and/or competence) to get jobs in the 'new' public/private schools. Those students, who are most often students of color and/or poor, require a community response, a societal mandate, a political decision that they *will be educated*.

The committee and the board majority have consistently attempted to avoid or finesse the necessity for a political response to the need for fundamental change in the public school system; whether to fundamentally overhaul the present system or, even to set-up the proposed voucher system.

This brings me to the other question: is there a better alternative?

Many of the barriers to change indicated in the report must, and I would argue, can be addressed politically. It is naive to suggest that the proposed voucher system will be established by the Minnesota legislature without fundamentally altering or eliminating [through the legislative process] : a) the rules that prevent flexibility, experimentation, with the options of replicating the good experiments, b) rules and/or practices that imposed additional expectations upon the schools [sex education, drug awareness, mainstreaming, race relations, etc.], c) the provisions of the seniority and tenure law that prohibit the rewarding of excellence in teaching or the re-

moval of incompetents, and other barriers. The majority report is particularly gutless in this regard. In the second recommendation, "Existing barriers to operation excellence should be removed..." the report hedges (i.e., "Examples of regulations which *could* be reviewed for *potential* removal...") [My emphasis added.]

It is the position of the committee and board majority that the political approach has been tried and failed. I would argue that it has never been tried. There have been discussions and political solutions at the edges, but *never* has the legislature said, we give the school districts millions—no, billions of state tax dollars, therefore, we *demand* x, y, or z output in the achievements of students. And, in order to do that, we will change or eliminate the various laws that impede accountability and change.

My position is that since it is inevitable that the various interests (e.g., unions, school boards, handicapped associations, etc.) will get some legislators to try to impose their standards on the new system, why not confront those "standards" directly.

The political nature of changing the schools is inevitable, and is more important if you believe that significant inequities will arise from the voucher system. Schools are political institutions, and they will not be less so through a voucher system. And while the poor and educationally disadvantaged d not have great influence now, the prospect for more 'clout' is greater in a political system where organizations and groups can speak on their behalf than in a "free market" or choice system, where their influence is atomized.

In conclusion, this report is part of a national movement toward privatization of public services and responsibilities. I believe this movement will have the eventual result of a complete retreat by this society from a societal responsibility for the powerless who are difficult or expensive to educate, house, protect, etc. I believe the committee and board majority when they say that they are committed to equal access and equity. They say, trust that we will do the right thing. I do trust them, I do not trust the societal momentum of which vouchers is a part. It is a very destructive wave that has caught up many good people. It scares me to death.

Earl Craig, Jr., member of Board of Directors.

APPENDIX 1

FORMS OF SCHOOL BASED MANAGEMENT

DIMENSIONS	RANGE OF DIFFERENCES			
	FROM	EFFECT	TO	EFFECT
Curriculum	Centrally developed and administered through directors and coordinators.	Uses most experienced judgment in district. May approach best state of the art in scope, sequence, and materials available. Based on averages and means, if centrally designed.	Based on needs identified by parents, teachers, students, administrators, and by assessments. Teachers develop their own MIS to monitor progress and performance.	Curriculum fits students in school, and is derived from joint efforts. Curriculum based on best judgments in school-community setting. Results monitored by district.
Selection of instructional personnel.	Selected by central administration, usually by personnel officer.	Meets needs of central administration. Uses general criteria.	Selection by faculty and/or faculty and community, with principal, using district guidelines.	Use of personal, program, and community criteria, as well as general criteria. School-community ownership of process and results.
Selection of principal.	Selected by superintendent, with recommendation to Board.	Meets needs of superintendent. Principal has power base with superintendent.	Superintendent and board select from among candidates interviewed and recommended by teachers and community members.	May meet needs of teachers, community members and superintendent, along with board. New principal has broader power base.
Decision-making.	According to function, position, or status.	Maintains centralized system.	Shared decision making. Sharing takes place around action and information. Fewer decisions made unilaterially.	Increases available information in system; more people know what goes into making decisions; broadens power base.
Comprehensive planning.	Major planning done in central office by one or two people. Top down planning.	Plans owned by one or two. Learning about planning limited. Responsibility for implementation may not be felt by teachers.	Continuous planning in schools by schools as units and by programs. Administrator planning visible and and clearly separate from instructional planning. Bottoms up planning.	Plans widely owned. Learning about planning distributed widely. Responsibility for implementation shared. Accounability clear.
Financing	Teacher units allocated to schools on teacher-student ratio basis. Schools given permission to order materials and supplies up to certain	Power of the budget remains in central office. Relationship between budget curriculum, and staffing not	Lump sum budgets to schools, with discretion to transfer funds from one budget category to another. Schools benefit from con-	Principal and teachers have independent power base. Principal and teachers consider alternative uses of money. Curriculum con-

FORMS OF SCHOOL BASED MANAGEMENT

DIMENSIONS	RANGE OF DIFFERENCES			
	FROM	EFFECT	TO	EFFECT
	limit. Savings and deficits are accrued at central office.	clear to anyone but budget officer. Inequities in spending not easy to see.	trolling costs in certain areas, such as water consumption, electric consumption, substitutes used, maintenance, and materials. Schools can carry over surplus or deficit.	nected to budget. Ability to carry over and to run deficit puts reality in forecasting and planning. Inequities clearly visible.
Setting goals and objectives for change and improvement (organizational and instructional).	Set by central office and board sent to schools for them to implement.	Data used in goal setting not known to people in schools. Goals do not take into account goals of schools as social systems.	Goals and objectives developed in schools and agreed to by superintendent and board after negotiation of differences.	Goals and objectives jointly owned, goal setting is learning process in schools and central office. Also relationship building.
Monitoring of goal achieving efforts.	Performed by schools.	Central office ignorant of actual monitoring and auditing processes.	Joint auditing and monitoring of goals achievement activities.	Mutual ownership of implementation activities and processes.
Performance analysis and assessment.	Performed by central office in form of input analysis (are schools following central directives).	Input-oriented system.	Performed by specially trained team from central office, after schools have also completed performance analysis.	Results oriented system, in which focus is on behavior which produces results.

SOURCE: Orin South Outline of presentation for Brevard County, August 1-2, 1978

APPENDIX 2

AN INITIATIVE FOR EDUCATION BY CHOICE

By Jack Coons and Stephen Sugarman
University of California at Berkeley

The following section shall be added to Article IX of the California Consitution:

Section 17: The people of California have adopted this section to improve the quality and efficiency of schools, to maximize the educational opportunities of all children, and to increase the authority of parents and teachers.

New Schools

- In addition to the public schools and private schools presently recognized by law, there shall be two classes of schools together known as New Schools.

- New Private Schools are private schools eligible to redeem state scholarships.

- New Public Schools are schools organized as public corporations eligible to redeem state scholarships.

  School districts, community colleges and public universities may establish New Public Schools. Each shall be a public non-profit corporation governed by rules fixed by the organizing authority at the time of incorporation. Such schools are free common schools under section 5 of this article; section 6 of this article shall not limit their formation. Except as stated in this section, New Public Schools shall operate according to the laws affecting New Private Schools.

- New schools shall be eligible to redeem state scholarships upon filing a statement indicating satisfaction of those requirements for hiring and employment, for curriculum and for facilities which applied to private schools on July 1, 1979; the Legislature may not augment such requirements. No school shall lose eligibility to redeem state scholarships except upon proof of substantial violation of this section after notice and opportunity to defend.

  No New School may advocate unlawful behavior or expound the inferiority of either sex or of any race nor deliberately provide false or misleading information respecting the school. Each shall be subject to reasonable requirements of disclosure. The Legislature may set reasonable standards of competence for diplomas.

  No school shall be ineligible to redeem state scholarships because it teaches moral or social values, philosophy, or religion, but religion may not be taught in public schools or New Public Schools; a curriculum may be required, but no pupil shall be compelled to profess ideological belief or actively to participate in ceremony symbolic of belief.

Admission to New Schools

- A New School may set enrollment and select students by criteria valid for public schools under the federal constitution other than physical handicap, national origin, and place of residence within the state.

- Each New School shall reserve at least 25 percent of each year's new admissions for timely applications from families with income lower than 75 percent of California families. If such applications are fewer than the places reserved, all shall be admitted and the balance of reserved places selected as in paragraph (a) of this subsection: if such applications exceed the reserved places the school may select therefrom the reserved number.

Finance

- Every child of school age is entitled without charge to a state scholarship redeemable by New Schools and adequate for a thorough education as defined by law. Scholarships shall be equal for every child of similar circumstance differing only by factors deemed appropriate by the Legislature; they shall reflect the educational cost attributable to physical handicap and learning disability, and, for children of low income families, the cost of reasonable transportation. Except for children enrolled

in schools in which parents or other relatives have primary responsibility for instruction of their own children no scholarship shall be less than 80 percent of the average scholarship for children of similar grade level. A nonprofit New Private School shall use scholarship income solely for the education of its students. The Legislature shall provide for an appropriate division of the scholarship in the case of transfers. Nothing required or permitted by this section shall be deemed to repeal or conflict with section 8 of this article or section 5 of Article XVI.

- New Schools shall accept scholarships from low income families as full payment for educational or related services. Charges to others shall be consistent with the family's ability to pay.

- The average public cost per pupil enrolled in New Schools shall approximate 90 percent of that cost in public schools. Public cost here and in subsection 3 (d) shall mean every cost to state and local government of maintaining elementary and secondary education in the relevant year as determined by the Department of Finance according to law; it shall not include the cost of funding employee retirement benefits which are unfunded on June 3, 1982.

- For school years 1982-83 through 1987-88 the total public cost of elementary and secondary education shall not exceed that of 1981-82 adjusted for changes in average personal income and total school age population. The Controller shall authorize no payment in violation of this subsection.

- Excess space in public schools shall be available to New Schools for rental actual cost.

Rights

- A pupil subject to compulsory education who attends a New School may continue therein unless she or he is deriving no substantial academic benefit or is responsible for serious or habitual misconduct related to school. With fair notice and procedures each school may set and enforce a code of conduct and discipline and regulate its academic dismissals. No pupil enrolled in any such school shall suffer discrimination on the basis of race, religion, gender, or national origin.

- The Legislature shall assure provision of adequate information about New Schools through sources independent of any school or school authority. Non-literate parents and others with special information needs shall receive a grant redeemable for the services of independent education counsellors.

Transitional Provision

The Legislature shall promptly implement this section, ensuring full eligibility for scholarships of at least one-fourth of all pupils in school year 1984-85 and a similar additional number yearly thereafter.

APPENDIX 3

COMPARING MINNESOTA, NATIONAL, AND CENTRAL U.S. STUDENT ACHIEVEMENT

How do Minnesota students compare to their national counterparts on periodic standard assessments of educational progress?

The Minnesota Statewide Assessment Program each year conducts several standarized tests in basic areas of the school curriculum such as reading, mathematics, science, and social studies. Every year two different subject areas are tested and the tests are then repeated in cyclical fashion after four years have elapsed. The tests are administered at different times during the school year to a sample of the state's fourth, eighth, and eleventh grade populations. Approximately one-third of each test is composed of questions from the National Assessment of Educational Progress (NAEP). For that reason, some comparisons may be drawn. The results from the subject areas of reading, science, mathematics and social studies have been summarized below. In each instance, Minnesota-National comparative scores are presented along with significant summary commentary from the reports themselves.

Reading Assessment.

Last conducted in 1977-78, this test examined fourth, eighth, and eleventh graders reading skills in three areas: 1) word identification and recognition skills, 2) word and sentence comprehension, and 3) comprehension of longer discourse. Results in each of these areas are summarized below:

- **Word identification and recognition skills.** No comparision provided between Minnesota students and the national population.

- **Word and sentence comprehension.** No statistically significant difference between Minnesota students and national and central United States scores was observed.

- **Comprehension of longer discourse.** (This part of the test examined students ability to recall and make inferences from longer passages of reading material.) In the area of recalling details and identifying main ideas and topics, Minnesota students at all grade levels performed as well as or better than students in the national or regional samples. On questions that required inferences, and critical thinking skills, however, the scores of Minnesota's fourth and eighth grade students were significantly higher than those of the national sample while eleventh grade students scored significantly below their national counterparts.

  Elaborating on eleventh grader's performance, the report found that of the 26 common questions given to Minnesota and national students, "Minnesota students achieved above the national comparison group on 13 items (50 percent). On four items (15 percent) Minnnesota students achievement was not significantly different from that of the national group. And on nine items Minnesota students scored below the national student sample." The report noted, however, that those nine items represented such important skills as separating fact and opinion. It, therefore, concluded that the Minnesota achievement results were below national averages often enough (35 percent) to merit "concern."

In 1973-74, a Minnesota Educational Assessment Reading Study found that:

- 12 percent of Minnesota high school seniors tested were functionally illiterate as measured by an inability to pass a basic fluency reading test on getting the main idea of a simple paragraph or follow a series of directions for a practical outcome.

- 38 percent of Minnesota high school seniors were found to be unable to read well enough to succeed in school.

- Of the 38 percent of Minnesota high school seniors indicating a desire to attend a four-year college, 17 percent were found to be unable to read adequately enough to succeed.

  Source: Minnesota Educational Assessment Reading Study, 1973-74, pp. 85-88.

While the 1977-78 Minnesota Educational Assessment on reading did not contain trends indicating whether these trends had increased or decreased, a CL staff conversation

with Bill McMillan, the director of the Statewide Assessment Program revealed that the number of Minnesota high school seniors determined to be functionally illiterate had risen by one percentage point to 13 percent.

Number of Minnesota students in need of remedial reading assistance.

In May 1981, a special assessment was conducted by the MEAP to test the "fundamental reading skills" of students in grades seven through twelve. Unlike most other tests given by the MEAP, similar tests and results were not available nationally nor was there a historical set of Minnesota results to compare the data to. The tests are diagnostic in nature, and designed such that they will readily identify those students "who are average or below average in reading proficiency." For that reason, the level of difficulty of the tests is comparatively low so that most students would complete them with "relative ease."

The test was divided into four parts:

- **Identifying words.** Assessed student's ability to use phonic and structural elements in decoding words.
- **Understanding words.** Assessed student's ability to "recognize and comprehend words in isolation and in context."
- **Reading for school needs.** Tested such skills as identifying the main idea, determining cause and effect and selecting facts and opinion.
- **Reading for everyday needs.** In this test, students were asked to respond to questions relating to recipes, maps, labels, want ads, bank and credit card statements, and emergency telephone numbers.

Virtually the same battery of tests was given to representative samples of the state's junior and senior high populations. (The high school tests were slightly more difficult.) Junior high results showed that the range of students unable to pass the reading for everyday portion of the test ranged from 24 percent (for seventh graders) to 10 percent (for ninth graders). The range of scores for the reading for school portion of the test ran from 25 percent failure rate among the state's seventh graders to 16 percent for its ninth graders. Much narrower failure rate ranges were found in the other two test areas. (See Table 1.)

Judging from the data, it would appear that Minnesota's senior high population has fewer serious reading problems than their junior high counterparts. Results from the four tests indicate that 14 percent of the twelfth graders have trouble understanding words, 11 percent in reading for school needs and nine percent in identifying words. Between nine and 19 percent of tenth graders had serious problems in these categories. (See Table 2.)

TABLE 1

FAILURE RATES ON READING TESTS

Reading for Everyday	7th (%)	8th (%)	9th (%)	7-9 Av. (%)
Reading for everyday	24	17	10	17
Reading for school	25	17	16	19
Identifying words	15	12	11	13
Understanding words	13	7	6	9

TABLE 2

MINNESOTA FAILURE RATES

	10th %	11th %	12th %	10-12 Av. %
Reading for everybody	19	13	9	13
Reading for school needs	17	13	11	14
Understanding words	18	14	14	16
Identifying words	9	10	9	9

Science Assessment.

Last performed in 1978-79, this test assessed knowledge of basic science concepts and their application. It found that Minnesota fourth grade students outperformed both the national and central United States populations of students sampled. Minnesota eighth graders, however, scored significantly lower than national and central United States students on both knowledge of basic science concepts and their application. (This finding has sparked debate in the Minnesota State Board of Education as to whether science requirements for eighth graders should be increased.) The states' eleventh graders scored about as well as both national and central U.S. students on the items selected for comparison, with only 0.5 percent separating the three groups. In the report's discussion, however, of Minnesota eleventh graders performance, the following comment was made:

> "Eleventh grade students appear to be weak in the application of scientific facts and concepts to situations outside the classroom, and in recognizing and identifying fundamental themes that pervade science as well as the organization of related scientific concepts into broad schemes." (See Table 3.)

TABLE 3

SCIENCE

	Minnesota Performance	Grade 4 (27 Items)	Grade 8 (34 Items)	Grade 11 (37 Items)
MN vs. U.S.	Above	15	10	15
	NSD	8	10	9
	Below	4	14	13
MN vs. Central U.S.	Above	9	3	10
	NSD	14	20	20
	Below	4	11	7

TABLE 4

MATH

	Minnesota Performance	Grade 4 (50 Items)	Grade 8 (51 Items)	Grade11 (57 Items)
MN vs. U.S.	Above	31	26	28
	NSD	10	16	20
	Below	9	9	9
MN vs. Central U.S.	Above	16	9	15
	NSD	23	32	30
	Below	11	10	12

Mathematics Assessment.

This assessment was last administered to Minnesota students in 1978-79. It measured students knowledge of basic mathematics concepts and their ability to apply them to various kinds of problem-solving situations. Minnesota students at all grade levels outperformed their national peers and performed as well as their regional counterparts. Minnesota fourth graders achieved a 75.6 overall percentage of correct responses in comparison to marks of 70 percent for national students and 73 percent for central U.S. fourth graders. Minnesota's eighth graders overall percentage of correct responses was 60.4 percent as compared to 56.1 percent nationally and 59.6 percent in the central U.S. The state's eleventh grade population posted scores of 63.6 percent correct as compared to 59.8 percent nationally and 63.1 percent correct for eleventh grade students in the central U.S. (See Table 4.)

The study also contained a comparative analysis of Minnesota scores with those attained by Minnesota students at the same grade level four years earlier—the first time the mathematics assessment was given in our state. That data showed that while fourth graders performance improved over the four-year period, eighth and eleventh grade performance declined slightly. The report commented:

> "The interesting data emerge when results are analyzed by category content. Generally, there has been a decline in the area of problem-solving or application. The increase in arithmatic skills is most pronounced at grade four. The decrease in problem-solving, or application skills is most pronounced at grade eleven, and to a lesser extent at grade eight."

Social Studies.

Last performed in 1977-78, the social studies assessment found that Minnesota fourth graders were above national norms on 28 percent of the questions, equal to the national group on 36 percent of the questions and below the national group on 36 percent of the questions. (Compared to fourth graders from the central U.S. the respective percentages were 12 percent, 60 percent and 28 percent.) Minnesota eighth graders did significantly better, scoring as well as or better than, students from across the nation on 55 of the 65 questions asked. (The state's eighth graders performed slightly better than students from the central U.S.) Significantly, though, the state's eighth graders were below the other groups in critical thinking. As the study commented, "major areas of needed improvement are in the areas of differentiating between fact and opinion, logically analyzing a problem, and in drawing conclusions and predictions."

At the eleventh grade level, Minnesota students were found to score below their national and regional counterparts more often than above them. (See Table 5.) As the study stated: "Once again critical thinking skills were lacking. Differentiating between fact and opinion, logical thinking and identifying basic assumptions were problem areas."

Longitudinal trends in the Minnesota Statewide Educational Assessment Programs.

Summarizing test trends from the various subject areas (reading, mathematics, science, social studies and writing) over the life of the MSEA program, Bill McMillan, its director, made the following observations in the September 1981, edition of the *Minnesota School Boards Journal:*

- There generally appears to be a clear performance advantage in favor of suburban districts in all areas. Performance in Cities of the First Class (Minneapolis, Saint

TABLE 5

A COMPARISON OF MINNESOTA AND NATIONAL PERFORMANCE IN SOCIAL STUDIES
Grades 4, 8, 11 (Ages 9, 13, 17)

W/ Central	Minnesota	Grade 4	Grade 8	Grade 11
W/ Central	Performance	(25 Items)	(65 Items)	(16 Items)
Minnesota	Above	28	37	31
Compared	NSD	36	48	31
W/Nation	Below	36	15	38
Minnesota	Above	12	25	19
Compared	NSD	60	54	44
W/ Central	Below	28	22	38
U.S.				

Paul and Duluth combined) is generally relatively depressed. The performance in "out-state" districts is relatively homogeneous and generally falls between that of suburban districts and Cities of the First Class. Performance in small district categories (K-12 enrollment 1-499) is generally slightly below that of other "out-state" categories, but these differences have, to present, been taken to be educationally insignificant.

- Minnesota students seem to perform much better on "basic" aspects of subject areas than in applications or higher order processes. These data strongly suggest that an over emphasis on "back to the basics" for all students would probably be ill-advised.

WHAT THE CITIZENS LEAGUE IS

Formed in 1952, the Citizens League is an independent, nonpartisan, nonprofit, educational corporation dedicated to understanding and helping to solve complex public problems of our metropolitan area.

Volunteer research committees of the Citizens League develop recommendations for solutions after months of intensive work.

Over the years, the League's research reports have been among the most helpful and reliable sources of information for governmental and civic leaders, and others concerned with the problems of our area.

The League is supported by membership dues of individual members and membership contributions from businesses, foundations and other organizations throughout the metropolitan area.

You are invited to join the League, or, if already a member, invite a friend to join. An application blank is provided for your convenience on the reverse side.

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WHAT THE CITIZENS LEAGUE DOES

RESEARCH PROGRAM

- Four major studies are in progress regularly.
- Each committee works 2½ hours per week, normally for 6-10 months.
- Annually over 250 resource persons made presentations to an average of 25 members per session.
- A fulltime professional staff of seven provides direct committee assistance.
- An average in excess of 100 persons follow committee hearings with summary minutes prepared by staff.
- Full reports (normally 40-75 pages) are distributed to 1,000-2,000 persons, in addition to 3,000 summaries provided through the CL NEWS.

CL NEWS

- Four pages; published every other week; mailed to all members.
- Reports activities of the Citizens League, meetings, publications, studies in progress, pending appointments.
- Analysis, data and general background information on public affairs issues in the Twin Cities metropolitan area.

PUBLIC AFFAIRS ACTION PROGRAM

- Members of League study committees have been called on frequently to pursue the work further with governmental or nongovernmental agencies.
- The League routinely follows up on its reports to transfer, out to the larger group of persons involved in public life, an understanding of current community problems and League solutions.

COMMUNITY LEADERSHIP MEETINGS

- Held from September through May.
- Minneapolis breakfasts are held each Tuesday at the Grain Exchange Cafeteria, 7:30 - 8:30 a.m.
- Saint Paul lunches are held every other Thursday at the Landmark Center, noon to 1 p.m.
- South Suburban breakfasts are held the last Friday of each month at the Lincoln Del, 4401 W. 80th Street, Bloomington, 7:30 - 8:45 a.m.
- An average of 35 persons attend each of the 64 meettings each year.
- The programs attract news coverage in the daily press, television and radio.

QUESTION-AND-ANSWER LUNCHEONS

- Feature national or local authorities, who respond to questions from a panel on key public policy issues.
- Each year several Q & A luncheons are held throughout the metropolitan area.

PUBLIC AFFAIRS DIRECTORY

- A directory is prepared following even-year general elections and distributed to the membership.

INFORMATION ASSISTANCE

- The League responds to many requests for information and provides speakers to community groups on topics studied.

Citizens League non-partisan public affairs research and education in the St. Paul-Minneapolis metropolitan area. **84 S. 6th St., Minneapolis, Mn. 55402 (612) 338-0791**

Application for Membership (C.L. Membership Contributions are tax deductible)

Please check one: ☐ Individual ($25) ☐ Family ($35) ☐ Contributing ($45-$99) ☐ Sustaining ($100 and up) ☐ Fulltime Student ($15)

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